

The NATIONAL UNDERWRITER

3rd Year, No. 14

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April 4, 1959

Surge In Bank Loans Seen If N. Y. Adopts Its Minimum Deposit Rules

By ROBERT B. MITCHELL

NEW YORK—If enacted in their present form, the proposed New York department restrictions on the sale of financed life insurance will mean much additional business for loan brokers and the banks they place loans with, according to John L. Hussey, partner in Faber & Co., prominent collateral note brokers here.

Two provisions in the draft regulations would cause this. The first section of the regulations, dealing only with policies delivered in New York state, says that if a policy gives the buyer a better break in the way of high early cash values than he would get on another comparable policy issued by the company, it can't be sold in New York.

A company might decide to bring its comparable policies to the level of its high early cash value contract, in both earliness and height of cash values, but it is doubtful that many could do this. More likely it would have to discontinue or severely restrict the right to borrow on a policy at time of purchase, which is the typical minimum deposit procedure.

Bank Loan Could Be Made

However, if a loan is large enough and the borrower's character acceptable, a bank loan can be arranged even though the loan value is not available until the policy's first anniversary, according to Mr. Hussey. In fact, even a policy provision making the cash and loan values contingent on paying the second annual premium would be no deterrent.

The second provision of the draft requirements deals with high early cash value policies that would be regarded as too "discriminatory" to be delivered in New York state but which the department is not attempting to ban in other states. This provision says that where a life company issues a "discriminatory" policy it must use a special basis in figuring its expense margins under section 213 of the New York insurance law.

The premium that the company

could chalk up as having received from the buyer would not be the amount called for by the contract. It would be the contractual premium less the amount of loan made by the company against the policy before the end of the first policy year.

This would not be a directive to cut commissions but it could work that way if a company wrote a sufficiently large volume of its business on the minimum deposit basis. However, the rule about reporting less than the contractual premium would not apply if the loan were made through a bank or any lender other than the insuring company.

Hence, if there were any tendency to cut commissions on financed life insurance, the agent's obvious course would be to see that the buyer got the loan from another source than the insurer. The practice in the last few years has been to handle loans through the insurer rather than a third party, largely because it was simpler and also because for a time the banks were not interested in any but substantial loans.

Mr. Hussey said his firm is interested only in loans from about \$5,-

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IRS Acquiescence In Trio Of Cases Useful In Selling

NEW YORK—Agents can make effective use of the recently issued official text of the Internal Revenue Service's revenue ruling (59-79) acquiescing in the court decisions in the Prunier, Casale and Sanders cases, involving efforts of the internal revenue commissioner over the years to tax premiums as income to stockholders in situations where a corporation was the insurance applicant.

This course is suggested by Solomon Huber, general agent for Mutual Benefit Life in New York City, who pointed out to his agents that the ruling can do an effective job of reassuring prospective buyers of business insurance who may have postponed action because of warnings uttered by newspaper columnists. The ruling follows:

Citations Are Given

"The Internal Revenue Service will follow the decisions of the United States court of appeals in *Oreste Casale vs Commissioner*, 247 Fed. (2d) 440 [57-2 USTC ¶ 9920]; *Robert Sanders et al. vs Charles I. Fox*, 253 Fed. (2d) 855 [58-1 USTC ¶ 9415]; and

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SEC Invites NAIC To Conference On Variable Annuity

Securities Commissioners Of States Also Asked To Attend Washington Parley

WASHINGTON—The Securities & Exchange Commission has invited officials of National Assn. of Insurance Commissioners and North American Securities Administrators to meet with it here to consider the mutual problems of regulation involved in the issuance and sale of variable annuity contracts. No date was set.

SEC Issued Announcement

Commission officials have conferred with representatives of Variable Annuity Life and Equity Annuity Life, which have their home offices here, since the Supreme Court decision that their contracts are subject to federal securities laws. Later SEC issued the following announcement:

"On March 23, the Supreme Court of the United States sustained the contention of the Securities & Exchange Commission that variable annuity contracts are securities. These contracts have been offered and sold by Variable Annuity Life Ins. Co. of America and Equity Annuity Life Ins. Co., who were defendants in an action by the commission to enjoin their offer and sale until they had been registered under the securities act of 1933 and the investment company act of 1940.

Many Questions Asked

"Since this decision, members of the commission staff have had numerous questions put to them concerning the possible impact of dual regulation by this commission and state regulatory bodies over insurance companies, both those presently offering such contract and those who were considering offering the same or a variation thereof. The commission and its staff have already consulted with representatives of some of these companies in accordance with its policies in effect since

(CONTINUED ON PAGE 23)

National Underwriter Advances Five To New Official Positions

The National Underwriter Co. at its annual meeting in Cincinnati elected five new officers—George C. Roeding, Robert B. Mitchell and Kenneth O. Force were named vice-presidents, James C. O'Connor secretary and Joseph T. Maloney treasurer.

This completes the official realignment of the publishing company, which began last December with the retirement of Howard J. Burrige and the elevation of John Z. Herschede to the presidency. Louis H. Martin and H. P. Gravengaard continue as vice-presidents. Mr. Martin has been with the company 34 years and is senior officer in length of service. Mr. Gravengaard is executive editor of the Diamond Life Bulletins department.

Leslie A. Meek of the Cincinnati law firm of Graydon, Head & Richey was added to the board.

All the new officers are veterans and represent many fields of the company's activities. The five men account for 200 years of service.

Mr. Roeding is the oldest member of the National Underwriter organization in point of service. He joined the company in 1914 as an employee in the Cincinnati office. He soon got into the sales department and for a time traveled to many parts of the country out of the home office in Cincinnati. In recent years he has confined his work to Ohio and Kentucky, where he is probably known to more insurance men than any other person.

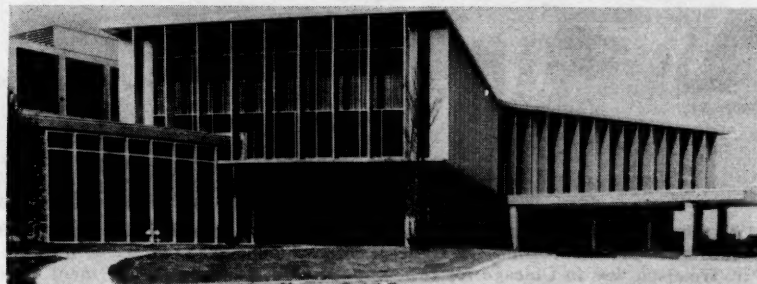
Mr. Mitchell has been connected with the New York City office of THE NA-

TIONAL UNDERWRITER since 1930, except for four years, 1947-51, at the Chicago office. He has been editor of the life edition since 1947 and executive editor since 1954. Before joining the company he was a reporter for the Troy, N. Y., Record and the New Orleans Times-Picayune.

Mr. Force is executive editor of the Fire and Casualty Edition of THE NATIONAL UNDERWRITER, with headquarters in New York. He has been a full time member of the editorial staff since 1941. However, he began writing for THE NATIONAL UNDERWRITER in 1930, at Kansas City where he

(CONTINUED ON PAGE 25)

Most Outstanding Office Of Its Size



The new home office of Guarantee Mutual Life of Omaha has been picked the most outstanding office building of its size in the U.S. for the past year. The awards are sponsored by Office Management magazine and winners are selected by a national panel of architects and consulting engineers. Selection is based on outstanding achievement in design, layout, equipment and general fitness for performance of work the office does. The office completed last spring, is a 2½ story structure of glass and aluminum with highlights of natural lava stone.

Canadian Health Insurance Assn. Being Organized

A trade association of Canadian A&S companies is being organized by Joint Committee on Health Insurance. W. Douglas Bell, vice-president of Canadian operations of Paul Revere Life for the past six years, has been appointed managing director.

The organization, which will probably be called Canadian Health Insurance Assn., will parallel Health Insurance Assn. of America. Joint Committee on Health Insurance, formed in 1953 to handle statistical and provincial legislative work, will probably be dissolved.

An organization meeting of interested companies will be held June 11 at Royal York Hotel, Toronto.

Kalmbach Warns GAs Against Minimum Deposit Abuses

Leland J. Kalmbach, president of Massachusetts Mutual, during his speech before the annual conference of the General Agents Assn. at the Palm Beach (Fla.) Biltmore Hotel, warned against the dangers of the use of minimum deposit insurance and gave his reasons why life companies should encourage the sale of permanent life coverage with the accumulation of cash values.

Massachusetts Mutual is prominent in the sale of minimum deposit plans.

Mr. Kalmbach said "I know we all recognize the important advantages to policyholders of accumulating cash values, and I think we all realize that a large percentage of all policyholders who reach retirement age have practically no savings other than the values of their life insurance policies.

"In encouraging the accumulation of savings by millions of our citizens, the life insurance business has made a tremendous contribution over the years to the nation's economy.

"Also, in recent years the savings of life insurance policyholders have been especially important in the fight against inflation. Unfortunately, the idea is spreading that inflation is inevitable. I do not agree with this philosophy and, in my opinion, the greatest contribution the life insurance business can make toward the control of inflation is to continue to sell thrift—to encourage in every way an increase in the savings of our people.

"We should always keep in mind that, since we sell fixed dollar contracts, there is no other business in our nation that should be more concerned with the value of the dollar. These are just a few of the reasons why the practices of life insurance companies should be of a nature which will encourage the sale of permanent life insurance with the accumulation of cash values."

Mr. Kalmbach also reiterated Massachusetts Mutual's position on variable annuities, saying, "In spite of the fa-

(CONTINUED ON PAGE 24)

Ohio State Life Appeals Decision On Columbus Mutual

COLUMBUS—The federal district court ruling awarding surplus of Columbus Mutual Life to the policyholders has been appealed by Ohio State Life and its officers to the U. S. Court of Appeals at Cincinnati.

The group of policyholders bringing the original suit claimed that the directors of Ohio State Life, after obtaining control of Columbus Mutual attempted to take over the surplus for Ohio State Life stockholders by amending the Columbus Mutual charter. The district court enjoined Ohio State Life officers from amending the Columbus Mutual charter as they had proposed.

Ohio State Life owns 99.5% of Columbus Mutual stock.



Leland J. Kalmbach

N. J. Trust Council To Hear Debate On Variable Annuities

NEWARK—The Northern New Jersey Estate Planning Council will hear a debate on variable annuities at its April 15 meeting at the Robert Treat Hotel, Newark.

Principals will be Richard Congleton, general attorney of Prudential, for the affirmative, Milton Ellis, 3rd vice-president of Metropolitan, for the negative, and Ralph R. Lounsbury, chairman of Bankers National Life, who will be moderator.

The meeting is open only to members and their guests. There will be a get-together at 5 p.m., dinner at 6 and the debate will start at 7:15.

Mutual Trust Life has been licensed in Colorado.

LAPSE RATE 50% WORSE ON OTHERS

Phoenix Mutual Cool To Financed Life Cover Unless Income Exceeds \$15,000

HARTFORD—Having found that its lapse rate on high early cash value policies sold to applicants with less than \$15,000 in annual income is some 50% higher than where applicants have \$15,000 or more in annual income, Phoenix Mutual Life is endeavoring to confine its business on such policies mainly to applicants with more than \$15,000 a year.

However, there are some situations which the company recognizes as justifying the high early cash value policy even though the applicant's income is less than \$15,000. For example, a young professional or business man with great potential income growth in the next five years would be eligible. In this case, a detailed statement should be supplied by the broker or agent.

May Be Underpaying Self

There is also the type of situation in which a business man is deliberately taking an income of, say, \$10,000 out of his business and plowing back substantial profits for future expansion. This would merit the high early cash value policy.

In borderline situations, the company has advised, it would save embarrassment if before taking a formal application the agent or broker would send a preliminary letter giving the entire background of the case. The salary of a young working wife should

not be considered in determining the applicant's income. Also, the prospect of a substantial inheritance, unless imminent, does not justify the high early cash value policy purchased on a loan basis.

Where it is clear that the income figure is above \$15,000, then the total gross premiums on all personal insurance in force should not usually exceed 7% of the first \$10,000 of income, plus 12% of the excess, as described on page 15 of the guide book section of the rate book, Phoenix Mutual points out. This percentage of income may be slightly exceeded at the older ages or where the income is above \$25,000, subject to individual consideration.

Replacement of existing permanent insurance in Phoenix Mutual or in any other company, whether by surrender of existing policies for cash or

(CONTINUED ON PAGE 23)

O'Mahoney's March Quizzer Barely Touches Life, A&S

The questionnaire mailed in March to insurance commissioners by the Senate anti-trust and monopoly subcommittee which under Sen. O'Mahoney is conducting an investigation of insurance and rate regulation, is directed principally toward rate making and rate regulation. It refers to life and A&S only briefly and incidentally.

Commissioners are asked to list all types of complaints received, pending, or processed during the period April 1-June 30 of this year.

Seek Complaints On Agents

Complaints concerning agents, brokers, and solicitors are also sought. There are questions on claims settlements, rates, company trade practices, department activities and others.

The investigators want to know how the department regulates mail order insurers not licensed in the state but doing business there, and how it regulates business done by mail by domestic companies doing business in other states.

The questionnaire asks what procedures and standards are employed with respect to individual A&S to be certain the rates are not excessive and that the coverage is fair.

James H. Windsor Is President Of Equitable Of Iowa

James H. Windsor, vice-president, treasurer and trustee, has been elected president of Equitable Life of Iowa, succeeding the late Frederick H. Hubbell.

A graduate of Yale University, Mr. Windsor joined the company in 1931 and advanced to superintendent of bonds in 1947 and financial vice-president a year later. He became a trustee in 1955 and vice-president and treasurer in 1957.

He is a past chairman of the financial section of American Life Convention and is a member of the investment research committee of Life Insurance Assn. and of the ALC-LIA joint committee on valuation of assets.

Mr. Windsor is married to the former Mary Belle Hubbell, granddaughter of the founder of Equitable of Iowa.



James H. Windsor

Name Two Deputies In N. Y. Department

NEW YORK—Superintendent Thacher of New York has appointed Samuel C. Cantor 1st deputy superintendent, succeeding Arthur F. Lamanada, and Newell G. Alford Jr. as a deputy superintendent, succeeding Robert Malang.

Both are New York City lawyers and graduates of Columbia University law school. The positions pay \$17,500 and \$16,500 respectively.

Mr. Cantor, who is 40, will have general supervision of the New York City office of the department. He was legislative counsel to State Sen. Mitchell and counsel to the senate committee on affairs of New York City. From 1943 to 1948 he was an assistant district attorney in New York county. He is a former president of the West Side Republican Club.

Mr. Alford did graduate work at State University of Iowa and at Harvard before going to Columbia for his law course. He is a veteran of the European and southeast Asia theaters in World War II.

Philip Fass, Beverly Hills, again is the current man of the month for Midland Mutual Life.

Publish New Missouri Handbook

A new Underwriters Handbook of Missouri has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Missouri Handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.



Members of Life Agency Managers Assn. of Chicago with B.N. Woodson (2nd from right), president American General Life, who spoke at the March meeting. Mr. Woodson was in Chicago for the annual LIAMA agency management conference. From left, M. B. Bay, Prudential, secretary-treasurer of the managers' association; Alfred C. Thoma, Metropolitan, immediate past president; John W. Lawrence, Massachusetts Mutual, president, and Frank G. Lotito, Lincoln National Life, vice-president.

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GEORGE STEINBERGER

a million dollar producer speaks...

Detroit, Michigan
February 12, 1959

Mr. F. J. O'Brien, Vice President
Franklin Life Insurance Company
Springfield, Illinois

Dear O'B:

The Friendly Franklin is for the larger producer, too!

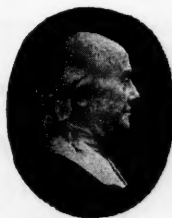
After four consecutive years of million dollar production prior to joining the Franklin, and six years consecutively since, I have noted the following differences. Since I have had the Franklin Specials to work with, I have had...

- (1) More time for my family.
- (2) More time for civic activities.
- (3) More money by far. For example, *my first year commissions on the last three months production in 1958 were some \$3,000 more than in any full year prior to joining the Franklin.*

In other words, O'B, a lot more money for a lot less time, thanks to our Exclusive Plans—with particular emphasis on our wonderful new Family Protector. As a result, what I had hoped for when I started in the life insurance business has now become an actuality, dating from the day I became a Franklinite.

Sincerely,
George Steinberger

An agent cannot long travel at a faster gait than the company he represents!



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans
Over Three Billion Dollars of Insurance in Force



Wants FDIC Type Of Unit As Safeguard For Policyholders

T. O. Briggs, executive vice-president and secretary of Trans American Life of Fort Worth, has proposed the creation of a federal insurance corporation that would function to protect the funds of insurance policyholders the way that Federal Deposit Insurance Corp. protects bank deposits and Federal Savings & Loan Insurance Corp. protects savings and loan associations.

Mr. Briggs' proposal was reported prominently in the Fort Worth Star-Telegram. Under his plan, life companies could apply for and be accepted for membership in the federal corporation, which would insure all policies, old and new, for say, \$10,000 to \$15,000 face amount and policy reserves for loan or surrender values.

The federal corporation would have adequate minimum standards for acceptance of companies to membership. Company examinations would be made regularly and paid for by the company.

The corporation would be self-supporting through assessments on the life companies, the way that the FDIC is financed by assessments on the banks.

The plan would help not only the policyholders but also the insurance companies, since it would be a factor making for confidence and safety, Mr. Briggs believes. He says it would not usurp any of the state regulatory powers but would merely be an extra safeguard, just as the FDIC is a safeguard in addition to the regulatory powers of the controller of the currency and the state banking commissions over banks.

Mr. Briggs emphasized that the idea is his own personal thinking and has neither been approved or disapproved by his company officially. He said he had offered the suggestion to Rep. Wright and had discussed it with other insurance executives.

'58 Statements Continue To Reflect Gains

AMERICAN BANKERS LIFE

American Bankers Life insurance in force in 1958 gained more than \$52 million to \$238 million. Ordinary life business increased 8% and credit life was up 12%. Premium income was \$8,642,000, up 19%. Assets were \$6,411,000, an increase of 73%. Benefit payments totaled \$1,393,000, of which \$967,000 went to living policyholders.

Investment income rose to \$149,000 compared with \$85,000, and rate of return increased from 3.12% to 3.30%.

ATLANTIC LIFE

Assets of Atlantic Life at year end were \$101,851,161, a gain of \$5.1 million. Surplus increased \$882,377 and capital and surplus funds totaled \$10,308,580. Reserves gained \$3,494,155 to \$77,792,182. Bond and stock holdings rose to \$34,825,576, and mortgage loans to \$49,033,052. Investment earnings were 4.22% before taxes, 3.82% net.

Benefit payments exceeded \$7 million; insurance in force increased to \$452,082,750, and new life business totaled \$95,581,605. Ordinary production climbed 10%.

ILLINOIS MUTUAL L.&C.

Premium income of Illinois Mutual L.&C. in 1958 amounted to \$4,558,914 and assets rose to \$3,181,169. Policyholders surplus increased to \$1,301,483.

CONFEDERATION LIFE

Life insurance in force of Confederation Life at year end increased \$164,109,752 to \$2,118,047,766. Annuity contracts, not included in the life figures, equaled \$361,553,028 of business in force. Sales were \$291,962,977, up \$30,496,405, of which individual sales gains amounted to \$21,774,963. A&S premiums rose \$1,096,769 to \$8,835,070.

Benefit payments totaled \$37,700,249, of which \$27,251,600 went to living policyholders. Dividend pay-

ments amounted to \$3,910,863. Total income was \$79.9 million, up \$8.2 million. Total assets were \$411.4 million, a gain of \$26.1 million.

LAMAR LIFE

Individual sales of Lamar Life in 1958 were \$25,501,292, up 6.6%, and ordinary life in force at year end exceeded \$250 million. Assets gained \$3,831,031 to \$68,627,324.

MANHATTAN LIFE

Manhattan Life ordinary sales in 1958 were \$141,113,041, up almost 24%. Total sales amounted to \$247,278,710. Insurance in force increased \$140,740,312 to \$1,203,506,563. Assets totaled \$151,665,827, an increase of 9%.

PACIFIC MUTUAL

Assets of Pacific Mutual Life rose \$20 million during 1958 to \$586,786,052. Capital, surplus and contingency reserves increased from \$31,031,559 to \$37,207,832. Ratio of net earnings on invested assets was 4.11% before taxes and 3.60% after taxes. Benefit payments totaled \$72 million.

Insurance in force increased from \$2,478,677,404 to \$2,579,854,177.

TEACHERS-CREF

Assets of Teachers Insurance & Annuity and College Retirement Equities Fund at year end were, respectively, \$584,338,459 compared to \$535,452,013, and \$90,248,558 against \$49,448,822. Individual life policies issued totaled more than \$33 million, up 36%. Individual policyholders in the TIAA group totaled 120,800 and CREF participants were more than 50,000.

UNITED STATES LIFE

Sales of United States Life in 1958 were \$266,165,555, up 23% and bringing life in force to \$1,288,756,131. The average size of policies sold during the year increased 15% to \$10,853. Assets rose to \$104,675,552, a gain of 10%, and capital and surplus were \$12,169,729. Net yield on investments before federal income taxes increased from 3.98% to 4.08%. Yield on new investments was 5.35%, a record.

W. O. W., OMAHA

Assets of Woodmen of the World of Omaha increased \$7,726,297 in 1958 to \$220,782,980. Net gain in investment earnings was \$308,692, a 4.2% increase.

Insurance in force totaled \$622,217,608, a gain of \$15,147,240. New business amounted to \$95,374,351, an increase of \$10 million. Refunds payable to members in 1958 were \$2,310,373.

Winthrop Rockefeller On Card Of NAIC Zone 5

LITTLE ROCK—Winthrop Rockefeller, Little Rock industrialist and chairman of the Arkansas Industrial Development Commission, will address the Zone Five meeting of National Assn. of Insurance Commissioners at Hot Springs, April 30. Program details for the zone gathering are now almost completed.

Northwestern National Life had ordinary sales in February of \$17,690,000, an increase of more than 28% over 1958. Group life sales exceeded \$13 million for the month.

Approach Must Be Organized, Minn. Sales Rally Told

"Put yourself in the other fellow's shoes. Would you have bought your product on the strength of your own presentation?" William S. Stebbins, Northwestern National, Portland, Ore., asked this question of agents attending the Minneapolis sales congress of Minnesota Assn. of Life Underwriters.

Mr. Stebbins said a well-organized work pattern is the key to exerting the extra margin of effort needed to become a successful agent. "Looking back to 1947 when I purchased my first life insurance contract, I remember the disorganized way in which I was approached by five or six life insurance agents. I can well remember their haphazard approaches. I like to compare their approaches with the approach of the agent who sold me my first policy. He had a program which outlined exactly what his plan would do for me at the time as well as what it would do for me in the future."

He outlined a seven-point program aimed at helping an agent develop his effectiveness:

1. Develop work habits.
2. Establish definite quotas as to volume, premiums, applications, calls, interviews and new prospects.
3. Keep adequate records, particularly in developing repeat business.
4. Coordinate client's program with his changing needs.
5. Make the initial call in person to build prestige and then use the telephone for follow-up calls and appointments.
6. Serve the community.
7. Take at least 30 minutes a day for study. Personal development contributes toward growth.

"In the opinion of many experts in the field," concluded Mr. Stebbins, "only one person in 10 comes anywhere near developing his or her potential. The reason is that the majority want to grow and succeed. But they aren't willing to put forth that extra margin of effort necessary to bring success about."

Son Rejoins Callihan Firm

John T. Callihan, agency pension consultant of New England Life since 1954, has rejoined the Boston pension consulting firm founded by his father, Tressler W. Callihan, who is retiring. John Callihan was with his father's firm from 1946 to 1954.



Even I know that ...
MOTIVATION IS THE KEY TO SUCCESS!

IT DOESN'T TAKE A CLUB—to drive home the need for more Family Security when you take along Jefferson National's persuasive "super salesman." This V.I.P. is the colorful sound film that packs tremendous MOTIVATION into 14 dramatic minutes.

His Showmanship is a "sell-out" for such special contracts as the Passbook Savings Plan, Fit-the-Future, Family Security, and a huge portfolio of A & S, Group, Pension and Annuity Plans.

If you are ambitious to increase production or build an Agency of your own, you will want to investigate Jefferson National's many other profit-building aids—Top Commission Contracts, Financial Assistance, Recruiting Bonuses, etc. Wire or write today to BYRON C. JOHNSON, Agency Vice-President.

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Our New HOME OFFICE BUILDING designed with the future in mind



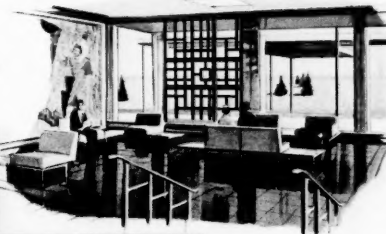
We are now located in our new home office building in Lincoln. While it is the fourth home office building in the history of the Company, it's the first one truly designed with the future in mind.

Located on a 12-acre site in a rapidly expanding suburban area of east Lincoln, the building was constructed with an eye toward maximum efficiency and future expansion. Careful consideration was given to the use of materials that can be easily and efficiently maintained for low operating costs. This goal was achieved through use of permanent materials which require no painting, large expanses of ceramic tile, terrazo floors, tinted heat-absorbing glass, movable walls, changeable fixtures and complete flexibility of heating, lighting and communication facilities.

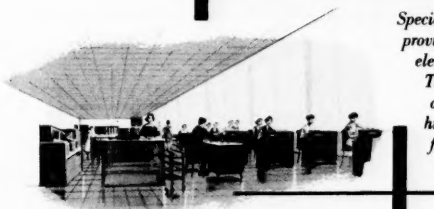
Bankers Life of Nebraska looks forward to a new era of service made possible by these modern facilities. They will enable us to operate more efficiently in behalf of our many representatives and policyholders. Planned expansion will enable us to make the benefits of personal insurance available to many more people in years to come.

The spacious lobby features a beautiful mosaic mural by the noted American artist, Millard Sheets.

The mural graces an entire wall. Large windows display a view of the landscaped grounds.



Special facilities are provided for complex electronic equipment. This includes auxiliary air conditioners and humidifiers and special flooring to support the extra weight.



The Supervisory Data Center is a custom-built electronic service board which automatically operates interior and exterior flood lighting, air conditioning and heating and turns on the sprinkling system for the grounds.



- Insurance in force: More than \$600 million
- Assets: Over \$120 million
- Licensed: 26 states, District of Columbia, Hawaii
- Field organization: Over 50 General Agencies and more than 700 representatives



BANKERS LIFE INSURANCE COMPANY OF NEBRASKA
LINCOLN

Presenting the 1959
NATIONAL ADVERTISING CAMPAIGN
of Bankers Life of Nebraska

The
Good
Things
of Life



The
Good
Things
of Life

Love is expressed in many ways: a child calling out to its mother in the night... the closeness of a boy and a dog... the warm handshake of two old friends... the welcome aroma of a cake in the oven... the caress of an autumn breeze on the face of a hunter... the gentle touch of hands between two who have known the changing faces of life. Love is expressed in all these ways, as well as in the wise planning of your life insurance program.

This is one of a series of advertisements with illustrations by the noted artist, Dwight Kirsch. Write the home office in Lincoln, Nebraska for reproductions suitable for framing. There's no obligation.



BANKERS LIFE OF NEBRASKA
LINCOLN

The CAMPAIGN

For 1959 we have developed a conservative, quality campaign which we feel can do much to enhance the prestige of the company and provide a tremendous impetus for our field organization. Based on the theme, "The Good Things of Life," the illustrations, done by noted artist Dwight Kirsch, strive for a warm human feeling to convey the concepts of Love, Home and Family. The drawings are of exhibition quality and reprints will be made available suitable for framing.

The ARTIST

Dwight Kirsch is a recognized authority in the fine arts field. His paintings and drawings have been on exhibition in many large museums such as the Metropolitan and Whitney Museums in New York; Pennsylvania Academy of Fine Arts; Chicago Art Institute; San Francisco and Seattle Art Museums. His work is owned in over 25 public art collections and in many private collections. He has served as juror, lecturer and consultant, with engagements in 17 different states and has written numerous articles for such publications as The New York Times and Art in America Magazine.



The MAGAZINES

Our advertisements will appear in Time, Newsweek and Life, with a total circulation of more than 9½ million. Extensive merchandising tie-ins will dramatically extend the full impact of this national advertising campaign to all our field representatives at the local level!

April 6 Edition

May 11 Edition

June 8 Edition



April 4

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Nussbaum Defends Volumitis As Being In The Interest Of Insurance Buyers

Volumitis, though some have made it seem like a dirty word, has nothing wrong with it, for volume is vitally needed for the client's sake, as well as for the sake of the agent, said A. Jack Nussbaum, Massachusetts Mutual agent at Milwaukee and past president of NALU, at the agents forum of NALU during the midyear meeting at Minneapolis. Following is the text of his talk on the panel's subject, "Should I advise my son to go into the life insurance business?"

If there ever was a time that I would advise anyone to come into the life insurance business, now would be the time. This does not mean that I am happy with everything that has transpired. Perhaps many of the things we are complaining about are the result of growing pains. Another reason for many of our problems might be we are becoming over-educated. We sometimes forget that basically we are salesmen.



A. Jack Nussbaum

I bring my life insurance publications home to read and my son says, "Dad, there seems to be an awful lot of ink used about two items. They are volumitis and the bank loan and/or minimum deposit plan. Who is to blame for this situation, and if I enter the life insurance business, will it affect my future career?" My reply might be:

"The easiest thing to do is to blame the companies for anything that goes wrong. There is no question that the companies are to blame for many things, but we the agents—yes, we the field forces are just about as much to blame."

What's Wrong With Volumitis?

The word volumitis is bandied around quite a bit. We have made it sound like a dirty word. What's wrong with volumitis? Not a thing! I wouldn't want to be with a company that is not aggressive, that is not seeking to improve its position in the industry. Yes, I want to be a part of the increasing volume. It is the dream of every agent to be a member of the Million Dollar Round Table. Isn't that volumitis? There is nothing wrong with personal success, which makes for company success.

Then, what do we mean when we talk about volumitis? Various new types of contracts that are developed, which presumably will better fit the individual needs of the public we serve. We, the agents, are the life blood of an insurance company. If my company brings out a contract and I don't like it, I just don't talk about it. I don't show it and I don't sell it.

Calls Volume Vital

We are a dynamic force whose mission in life is to sell security and peace of mind to the public we serve. The companies do not tell us which contract to sell. We are supposed to be professional in our attitude and dealings with our clients. If we sell the wrong type of contract to an individual, it is our fault and we must shoulder the blame. Volume is vitally needed for our client's sake—for our sake—and not for the sake of volumitis.

For just a few minutes I am going to give you my thinking about the bank loan plan and the minimum deposit plan—more dirty words, made dirty by some agents who abuse a privilege. I want to make it abundantly clear that I have sold bank loan insurance for over 21 years. There is nothing wrong with any plan of life insurance if it is properly and cleanly sold. I have not found it necessary to cancel out any existing life insurance or take reduced paid-up life insurance on existing contracts in order to sell the bank loan plan.

Bank Loan Plan Creates Interest

I use the bank loan plan in order to create interest—not the deductible kind. When I first started in the life insurance business, I used to sell what I called, the "step-up" plan. It was a plan of term insurance converting a portion of the term every two years until the entire amount was on the permanent ordinary life basis. I use

the bank loan plan the very same way. I use it as a method of getting my prospect to own as much permanent life insurance as he needs and make it possible for him to pay his premiums in a manner best suited to his ability to save money in any given year. Whether he is in the 50% or more tax bracket or in the 20% tax bracket, makes no difference. The only criteria are, Does he have a need for the life insurance, and will he eventually pay the full premium?

We, as salesmen, continually tell people that the sooner you buy your life insurance, the less it will cost you. I believe this to be true, and believing this, I sell what I believe will do the best possible job for my client. I have repeatedly said in talks that I have given all over the country that the reason we need salesmen to sell life insurance is that people do not like to make decisions. We help them make up their minds to do what we know they should do, in their own best interests. If we sell too much term insurance or the improper type of bank loan insurance, it is usually because we made the recommendation rather

(CONTINUED ON PAGE 18)

S. S. Huebner To Discuss Human Values Of A&S At LIAMA Spring Conference

Dr. S. S. Huebner, president emeritus of American College, will open the Wednesday morning session of LIAMA's A&S spring conference at the Edgewater Beach Hotel, Chicago, April 20-22, with a discussion of the human values in A&S coverages.

Raymond H. Belknap, president of United States Life, will cover the importance of developing a sound company philosophy regarding A&S, and J. Harry Wood, LIAMA's managing director, will close the Wednesday morning meeting with an outline of LIAMA's activities in the A&S field and a look at the future of the A&S business.

Industrial Life of Canada is offering a family rider in addition to its family policy.

Emanuel G. Knippa, Victoria, Tex., led General American Life agents in individual life sales in February.

Flexible-Age Retirement

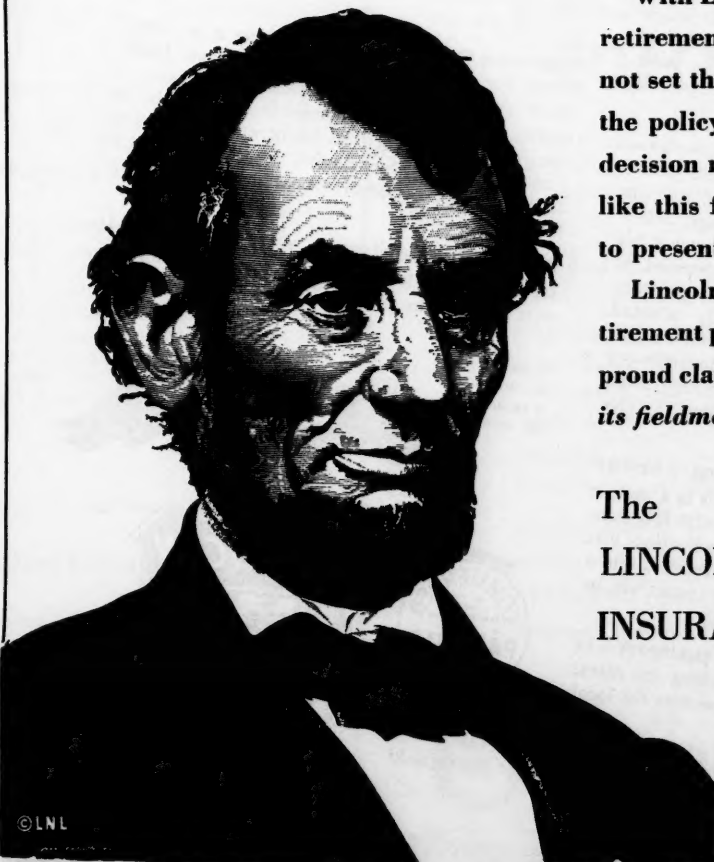
With Lincoln National's flexible-age retirement plan, the policyholder does not set the maturity date when buying the policy; he can wait and make his decision much later. Naturally, clients like this feature, and LNL agents like to present it.

Lincoln National's flexible-age retirement plan is another reason for our proud claim that LNL is geared to help its fieldmen.

The
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne, Indiana

Its Name Indicates Its Character



©LNL

Supervisor's Role In Group Cases Explored By William Silverman

Many employers now have one or more forms of group coverage in force. Do they represent a source of prospects? With competition as it is today, more than one broker and agent may be involved in the same group case. How can a supervisor protect the orig-

inal broker? Is there ever justification for transferring in-force group coverage from one insurer to another?

These are some of the self-directed questions posed by William Silverman, district group supervisor of Prudential at New York, and answered by him in his talk, "The Role of the Supervisor In Group Insurance," before the luncheon meeting of New York City Life Supervisors Assn.

Mr. Silverman pointed out that an employer with one or more forms of group coverage in force could be a

(CONTINUED ON PAGE 22)

Indianapolis GAs Hear Field Duty Being Abdicated

The worst trend in the business today is not group limits nor minimum deposit plans, but the abdication by field management of its traditional function of training men to sell and its increasing dependence on home offices for gimmick policies and mer-

chandising methods to fill the vacuum. This assertion was made by Walter Gastil, Connecticut General, Los Angeles, before the March meeting of Indianapolis General Agents & Managers Assn.

Mr. Gastil, who is chairman of General Agents & Managers Conference, predicted the present trends could lead to a system of direct, home-office salaried salesmen—which, he averred, would at least be better than the system developed by the abandonment of all responsibility for training and directing field forces, that characterizes stock casualty insurers now. "Most of today's evils," Mr. Gastil



Officials of National Assn. of Life Underwriters and General Agents & Managers Conference who attended the March meeting of Indianapolis General Agents & Managers Assn. From left are Hastings Smith, New England Life, GAMC board member; Oren D. Pritchard, Union Central, president of NALU, and Walter Gastil, Connecticut General, Los Angeles, chairman of GAMC, who spoke at the meeting.

charged, "can be placed at the door of general agents and managers. Most threats are of our own making. Large group limits have been brought about by agents trying to get business they were not good enough to sell without a competitive advantage. The same thing is true on minimum deposit, cheaper-by-the-dozen, and all the rest. The pressure for it comes from sales management that importunes the home office on behalf of agents whom it hasn't been able to train to sell except by 'special deals.'"

If companies were to do all the things agency heads today claim they ought to do, there would be no use for field management he pointed out.

The problem today, he continued, is not only the abdication of management functions to the home office but also the delegation of them to assistants. "We have a trend toward more and more 'staff' doing more and more responsible parts of the management job," he said. "What this really means is that general agents and managers are delegating important jobs to men of lesser experience."

"The recruit came in because he had faith in your ability to train and supervise him," he pointed out. "So you immediately assign his training and supervision to someone else. You have broken faith with your recruit."

There have been serious problems in the business in the past, Mr. Gastil reminded his audience. "I remember the days when rebating was the practice, not the violation. I remember when turnover was really something. I remember when proselytizing was the usual way to get men. Every one of these evils persisted until general agents and managers banded together in association—formal or informal—and did something about them. The solution to today's problems of the business is not to be found at home office level or even among agents, but at the level of field management through their association," he concluded.

OHIO is next!

Soon we will be making agency appointments in Ohio...

*American Health Insurance, like its present agencies, is growing on a planned progression program. In 13 other states it has built outstanding agencies—Ohio is next—and as elsewhere, we expect to do a good job and a big one.

Do you belong in our picture? Your most valuable asset—to yourself and to us—is your local reputation. We know, from our background of 20 years of sound, specialized experience, that people like best to do business with a home town business man. To be an American Health Agent you must fill that bill—with enthusiasm, integrity and diligence.

The company and agent who specialize in personal and family insurance serve the public best. By specializing, the company can give its policy owners better value, better coverage, better service. As a specialist, the agent can develop his professional skill, with sufficient time devoted to substantial volume at a limited, carefully selected number of points—where local service can be provided thru local agents who serve the company faithfully and the public honorably. Only under these conditions is the cost of good local service justified.

If you desire a professional career in business for yourself, this is a unique opportunity. With thorough training, with full company support, and with personal application you can give the amount and quality of service to find a successful and profitable career. Your career will be based on satisfied policy holders.

*American Health sets a pattern—in designing its coverages, in establishing its rates, in its underwriting methods—that permits the local

Managing Agent (who is the company in his territory) to pay claims on the spot promptly and without red tape. Any informed agent is fully aware of the importance of prompt claim payments to the growth of his business.

If you are the kind of agent we are seeking, you'll be delighted to find that American Health is your kind of company. You'll want to learn more about the very special opportunity we have to offer now . . . in Ohio.

"Where there's a will there's a way." Write for our booklets, "The American Health Story" and "Automatic Progression Program." A sound, secure, profitable career is available to the man who has the will . . . for here is a way. Write direct to Agency Department, AMERICAN HEALTH INSURANCE CORPORATION, 300 St. Paul Place, Baltimore 2, Md.

Our representative will be in Ohio in the weeks ahead. Inquire promptly so that you may be included in his plans.

*A specialist insurer with a reputation for integrity.



It makes sense to expect special results from a specialist in the field

Train Thoroughly, Demand Top Results, Group Advised

Teach the art of prospecting, train thoroughly and expect top-flight performance from one's agents at all times—this was the success formula expounded by Floyd A. Rosenfelt, Connecticut Mutual, Toledo, in his talk at the March meeting of St. Louis General Agents & Managers Assn.

Mr. Rosenfelt contended that agencies, as a rule, fail to do a proper job of training men to prospect. He said in his organization a new man doesn't do anything in his first six weeks other than study the problem of prospecting. Mr. Rosenfelt declared that his method of developing career agents calls for thorough mastery of this "key to successful selling." Just as recruiting is the most important factor for general agent or branch manager, prospecting is a keystone in personal production.

Intensive drilling to master the sales talk is the second step in Mr. Rosenfelt's program for developing career agents. Once this has been accomplished, the agent is required to polish the delivery until it appears to be spontaneous and directed solely to the prospect. Now the agent has reached the point of production. Mr. Rosenfelt said the trick of selling he subscribes to is to tell the prospect something he has overlooked or to remind him of something he doesn't know.

Making every agent a winner was stressed by Mr. Rosenfelt. Any agent who indicates he can't produce at a profitable pace is quickly culled from the agency. He said his methods are streamlined for results and a new man is told immediately that he must fol-

N. Y. State Caravan Will Visit Buffalo, Syracuse And Albany

The all-day sales caravan sponsored by New York State Life Underwriters Assn. will begin its tour at the Hotel Statler, Buffalo, April 15. On April 16, it will visit the Hotel Onondaga, Syracuse, and will finish at the Hotel Van Eyck, Albany, April 17. Programs for each meeting will be identical.

Fred T. Cook, manager of Prudential at Syracuse, is chairman and moderator. Speakers scheduled for this year's caravan are Leon L. Tracy, vice-president in charge of sales of Bankers Life & Casualty, and Frank B. Falkstein, manager of the home office brokerage agency of Prudential at Houston and author of "How To Be A Number One Man Through Prospecting."

Western States Life Plans Melon

Directors of Western States Life of Fargo have voted to increase the number of authorized shares from 350,000 to two million, par value \$1. If stockholders approve at a meeting April 23, the company will declare a 40% stock dividend.

low the system the agency has used successfully since it started from scratch in 1944. His agency, with 13 full time men, paid for \$11 to \$12 million of new life insurance in 1958. Average production was approximately \$900,000. Mr. Rosenfelt said that he is inclined not to hold a man who doesn't reach a \$500,000 per year production rate within three years. His aims, he said, are to get more and better business from each man and to make money for his agents.



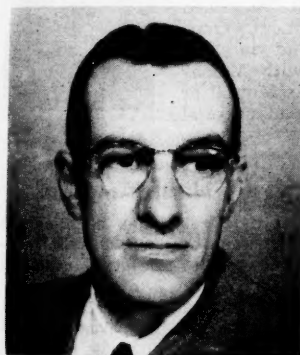
JAMES T. COMER, C.L.U.
Special Representative - Gastonia, N. C.

JEFFERSON STANDARD SALUTES

ITS LEADING PRODUCER

On March 1, Mr. Comer celebrated his 20th Anniversary with Jefferson Standard. Here are a few of his outstanding achievements during two decades of service with the Company:

- Has paid for more than \$21,000,000 business since joining Jefferson Standard on March 1, 1939.
- Was Company's leading producer in 1958 among 1,200 agents in 29 States, the District of Columbia and Puerto Rico, with \$2,484,000 paid business. He was also the leader in 1957.
- Life and Qualifying member of Million Dollar Round Table, having qualified for 16 consecutive years.
- National Quality Award Winner for 14 years.
- Member of Company's "500 Club," top honor club for agents, each year since Club was founded in 1954.
- Received Chartered Life Underwriter designation in 1946.



PROFESSIONAL ADVICE FROM

Walter R. Matthews

PRESIDENT

Fundamental Life Insurance

Birmingham, Alabama

Progress is Easy

when you can relegate detail work to competent help. We estimate that we opened our sales campaign at least seven months earlier by letting THE FOUNDATION GROUP handle our home office work. This affiliation continues to mean a very important saving which any insurance organization should consider.

Why Don't You Investigate membership in

The Foundation Group

FOUNDATION saves its members millions of dollars yearly. One efficiently run, well-organized office handles all detail work. Your time and effort can be devoted to building sales. Let THE FOUNDATION GROUP: process applications, issue policies, mail premium notices, audit and pay bills, handle premium and general accounting.

Qualify now for membership! Write to:

THE FOUNDATION GROUP

Box 321, Northside Station

Atlanta 5, Georgia



Represents The
Jefferson Standard

Jefferson Standard
LIFE INSURANCE COMPANY
Home Office: Greensboro, N.C.

Over \$1.8 Billion Insurance in Force

Changes In The Field

Lincoln National

Alvah B. Adam has been appointed manager of the newly established brokerage department of the Galligher agency at 3 Penn Center, Philadelphia. He was formerly brokerage manager of Manufacturers Life in Philadelphia. He entered the business 14 years ago.

He is a graduate of the LIAMA course and is a past president of the Philadelphia Junior Chamber of Commerce.

Great-West Life

W. K. Irwin has been appointed to head a new district office at Springfield, Ill.; R. W. Jones has been named

supervisor at Kansas City, and K. M. Boyler supervisor at Regina, Sask. These men will work with Branch Managers H. H. Norman (Peoria), K. E. Warden (Kansas City) and B. B. Gofine (Regina).

Mutual Trust Life

Mutual Trust Life has appointed Alfred J. Hansen general agent in Pontiac, Mich. Mr. Hansen entered insurance in 1954.

The company has entered Colorado

and has named Gordon G. Bandow general agent at Denver. He has been in the business since 1946.

Charles F. Hague has been appointed general agent at Columbus, O. He has been with Nationwide Life and Massachusetts Mutual.

Ohio National

George D. Hitchcock and Carl J. Rennekamp have been appointed general agents at Houston and Seymour, Ind., respectively. Mr. Hitchcock has been in production for 10 years and Mr. Rennekamp for nine. Both are graduates of the Purdue institute.



G. D. Hitchcock

Union Mutual Life

Oliver L. Thompson has been appointed general agent at West Barrington, R. I. He will be assisted by Earnest F. Marcotte.

James R. Miller has been appointed manager at Toledo, and William W. Buhl is named manager at Syracuse. Mr. Miller has been in the insurance field since 1955 and Mr. Buhl since 1954.

Equitable Of Iowa

Philip F. Clark has been named to head a new agency at Orlando, Fla. He entered the business with Travelers in Miami in 1946. He joined Connecticut General and in 1955 went with Massachusetts Mutual as district manager at Tampa.



Philip F. Clark Jr.

Life Of North America

Robert C. Lawton has been named manager at Long Beach, Cal. Formerly general agent of Midland Mutual, he has also been with Prudential at Toronto and, as manager, with Occidental of California at Los Angeles and Guaranty Union at Beverly Hills.

Laurence D. Bredwell has been ap-

MONEY means **MONEY** for brokers... and their clients



MONEY helps brokers sell Guaranteed Insurability



with special free sales aids
as part of **MONEY's** new brokerage service

MONEY's prospect booklet, "For That Boy You're So Fond Of," talks to dads and granddads. It explains how a **MONEY** policy with a Guaranteed Insurability Rider can be a perfect gift for youngsters. It helps your selling job by pre-selling your prospects. You'll want to mail this booklet—with your own personal message—to every family man in your client file and on your prospect list!

MONEY's broker booklet, "Guaranteed Insurability—Guaranteed Saleability," gives important selling tips and examples. It also shows how **MONEY's** Guaranteed Insurability Rider can broaden your market: (1) by helping you develop repeat business from established clients; (2) by opening a vast new juvenile market to you; (3) by giving you new leads for your General Lines business.

MUTUAL OF NEW YORK

The Mutual Life Insurance Company Of New York, New York, N.Y.
Offices located throughout the United States and in Canada

FOR LIFE, ACCIDENT & SICKNESS, GROUP INSURANCE, PENSION PLANS
MONEY TODAY MEANS MONEY TOMORROW!

FREE! FOR BROKERS!

MONEY, B'way at 55th St.
New York 19, N. Y.

Please send me **MONEY's** two free booklets on Guaranteed Insurability.

Name _____
Address _____
City _____ County _____ State _____
Brokerage name _____

The Unity Mutual Life Insurance Company of New York

Insures
The Whole Family

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING
President

L. J. BAYLEY
Secretary

HOME OFFICE—SYRACUSE, N. Y.

pointed general manager and John B. Loveland assistant manager at Chicago. The former was an assistant manager for the company at Philadelphia, and has been brokerage manager for Manufacturers Life at Chicago and before that with Marsh & McLennan there.

New England Life



A. Kirby Clements Jr.

A. Kirby Clements Jr., since 1951 co-general agent with C. Allen Hopkins at Montgomery, has been named general agent. Mr. Hopkins is relinquishing his management duties. Mr. Clements is a past president of Montgomery Life Underwriters Assn.

Prudential

Benjamin S. Bucca, associate manager at Newark since 1955, has been appointed manager at New Brunswick, N. J., and Julius A. Rarus, former manager, becomes head of a division within the agency.

Continental Assurance

Raymond M. Donovan has joined the company as manager at Elm-hurst, Ill. He entered the business in 1947 with Penn Mutual at Boston, later becoming manager at Toledo. Prior to his present appointment, he was manager at Chicago of State Mutual Life.



Raymond M. Donovan

Franklin Life

Meeker-Magner, general lines agency, has been named general agent at Chicago.

National Life Of Vermont



Imre Gulyas

Appointed general agent at Santa Rosa, Cal., is Imre Gulyas, former general agent of New England Life. He has also been district manager of Penn Mutual at Tulsa and South Bend.

Industrial Life Of Canada

K. M. Swift has been named group manager at Toronto.

Union Labor Life

Louis J. Sarno has been named manager of the newly opened branch office at New Haven.

PATRIOT LIFE has appointed as general agent at New York the First Republic agency headed by Ira Sands, former real estate and investment lawyer, and Jerome Wishner, formerly with Northeastern Life. Agency director is S. Tim Schwartz, former general agent of Northeastern Life.

COMPANY CHANGES

New England Life

Charles J. Lamb, assistant director of agencies, has been appointed agency pension consultant. He joined New England Life at Washington in 1951 and was named supervisor there in 1955.



Charles J. Lamb

Pacific Mutual

Oscar Swenson has been promoted from actuary to vice-president, and Director of Agencies Joseph F. Tudor and Claims Manager Douglas K. Swinnerton to assistant vice-presidents. Paul Fussell, a member of the law firm of O'Melveny & Myers, was elected a director.

Mr. Swenson joined the actuarial department in 1924 and has been actuary since 1945. Mr. Tudor, who went with Pacific Mutual in 1947, has been director of agencies since 1956. With the company since 1929, Mr. Swinnerton became claims manager in 1953.

New York Life

W. R. Livingston has been promoted to assistant vice-president in charge of group sales management. He has been regional group manager of the Canadian division, with headquarters in Toronto, and is past president of Toronto Group Insurance Assn.

Mutual Of New York

Vincent F. Lechner has retired as vice-president for office operations

FIDELITY

A WELL-BALANCED COMPANY

FLEXIBLE INCOME FOR LIFE CONTRACTS

Optional deferred maturity provision, offers . . .

- at original maturity date, policyowner can defer settlement for up to five years and leave proceeds with the Company to accumulate at guaranteed interest.
- at any time within this five year period he can:

Draw out cash value plus interest.

Start receiving monthly retirement checks under any of six optional modes of settlement.



The
**FIDELITY MUTUAL
LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA, PENNSYLVANIA

Now-BUILD YOUR OWN AGENCY

with a career contract that offers you:

Completely Vested Renewals
for the premium paying period of the policy.

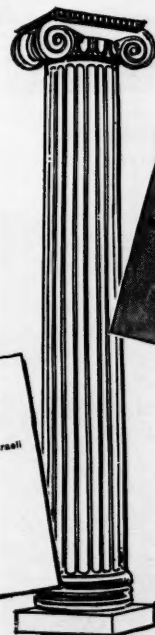
Substantial override for general agents.

Accident and Sickness Plans
— "Your Partner for Life".

With Central Standard Life's career contract, you can

- * plan for your retirement
- * create an estate for your family
- * enjoy liberal underwriting
- * join an agency-minded organization

"The secret of success is Constancy to Purpose"
Our success has been achieved with our career men and women.
In Force: \$357,405,424
Assets: \$107,284,880
Surplus: \$14,591,874



See for yourself
Write or wire today for your "new approach" agent's kit. Get full details by contacting your local Central Standard General Agent or: John M. Laflin, Vice President and Agency Director.

CENTRAL STANDARD LIFE
INSURANCE COMPANY
211 W. Wacker Drive Chicago 6, Illinois
Life • Accident • Sickness

of Mutual Life. He joined the company in 1915, became manager of office operations in 1952 and was elected vice-president in 1954.

Assistant medical directors appointed medical directors are Dr. Richard J. Lempke, Dr. Thomas J. McGurl Jr. and Dr. Albert A. Pollack.

Continental Assurance

S. Charles Corte of the administrative department has been appointed assistant comptroller. Before joining

the company in 1954, he had acquired insurance experience with the Veteran's Administration.

Monarch Life

Raymond C. Swanson, vice-president, has been appointed vice-president and sales director, and named to assist him in the production of property and casualty lines through Monarch agents is Harold F. Storey, secretary. Mr. Storey has been assistant to Wilfred G. Howland, recently appointed

vice-president and sales director of Monarch's affiliate, Springfield F.&M. Named to assist Mr. Howland in the production of life and A&S business through Springfield agents is Robert E. Wooster, former Monarch general agent at Rochester, N. Y.

United States Life

Warren V. Smith, former regional group manager in the east, has been named assistant manager of the group department.

Cardinal Life

G. D. Kinkead, Lexington banker and insurance man, who purchased about 25% of the stock of Cardinal Life some time ago, has been elected chairman and chief executive officer. Paul Carr, an independent actuary, has been named to the new office of executive vice-president. W. E. Burnett becomes treasurer and Frank Logan is secretary.

The board has been reduced from 15 to five members.

S. H. Goebel, former Kentucky commissioner, who has been president of the company for some time, reported that capital was increased in 1958 to \$510,000 from \$394,000, and surplus increased to \$648,000 from \$132,000.

Prudential

Robert G. Cocks, former associate director of group sales and service of the northeastern home office at Boston, has been promoted to director there.

American Travelers

Harold P. Mathauer has joined the company as treasurer-controller. He was comptroller of Jefferson National for nine years and most recently secretary-treasurer of United Home Life.

Equitable Society

John Kern has been promoted to manager of the supply division, and advanced to his former position as manager of the reproduction division is George Lomovsky, supervisor.

Protective Life Of Ala.

Edward O. Zander, former training manager, has been appointed supervisor of pensions and special sales. He joined Protective Life in 1955.

Liberty Life

Rex L. Metz, former underwriting secretary, has been appointed head of the underwriting division. He has been with Liberty Life since 1933.

Mutual Of New York

Frank Pace Jr., president of General Dynamics Corp. and former Secretary of the Army, has been elected a trustee.

FARMERS & TRADERS LIFE has named Ross A. Myers, formerly with Pacific Mutual, as agency secretary to succeed Forbes Gibbs Jr., who becomes office manager and personnel director.

EDUCATORS MUTUAL LIFE has named F. R. Huehnergath Jr., former chief underwriter, as director of the legal department, and Karl M. Richards, life underwriter, becomes chief underwriter.

CALIFORNIA LIFE has appointed Sam D. Bunnell director of group sales. He has been district group manager at Pittsburgh of General American Life.

PATRIOT LIFE has named Leonard J. Pickard superintendent of agencies. He has been superintendent of agencies of Peoples Home Life.

AMERICAN FOUNDERS LIFE has promoted James A. Cunningham from manager at Austin to vice-president.

GIBRALTER LIFE has advanced Will W. Jackson Jr. from actuary to vice-president and actuary.

WE SALUTE

5 Top Men



ROBERT B. WHITTEMORE
Boston, Massachusetts



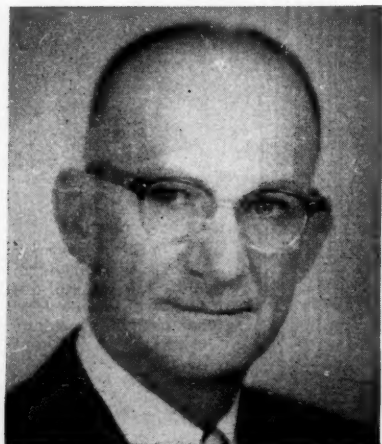
DeWITT JONES, JR.
Denver, Colorado



EDWARD B. BATES
Los Angeles, California



DAVID B. FLUEGELMAN
New York, New York



PAUL C. KAUL
Omaha, Nebraska

The President's Organization Award

is made, each year, to the five General Agencies — of the company's 83 — which had the most outstanding records in sound agency building and development. The entire Connecticut Mutual Life organization, at the home office and in the field, joins in congratulating these five men and their associates for outstanding performance in 1958.

Connecticut Mutual Life

INSURANCE COMPANY • HARTFORD

Card Set For Zone 5 Commissioners' Parley

LITTLE ROCK—Program plans for the zone 5 meeting of National Assn. of Insurance Commissioners at the Arlington Hotel, Hot Springs, April 29-May 1 are nearly complete.

Activities will begin the first afternoon with an executive session of the rating staffs of the eight insurance departments represented in the zone.

Gov. Faubus will open the first general session on Thursday morning with a special welcoming address to the delegates, and Donald F. Barnes, vice-president, Life Insurance Institute, will give a review of problems facing the life industry as they relate to state regulation.

One of the highlights of the general session that afternoon will be a discussion on opposing viewpoints of statistical and filing problems of multiline contracts—issues raised in connection with the so-called M-1 subcommittee report of NAIC. The two speakers will be J. Raymond Berry, general counsel National Board of Fire Underwriters and Vestal Lemmon, general manager National Assn. of Independent Insurers. Each speaker will present a 30-minute discussion of his view of the problem to be followed by a 10-minute rebuttal period for each.

Henderson To Speak

Also on the Thursday afternoon agenda will be William P. Henderson, Detroit, president Henderson Tire Co., whose address, "See Clearly Ahead (Thru 65 Million Windshields)" is expected to direct itself to a new approach to automobile physical damage rating methods.

Other speakers include C. Hamilton Moses, past president and former chairman of Arkansas Power & Light Co., and Thomas Collins, vice-president City National Bank, Kansas City.

Commissioners from at least eight other states are expected to attend, including Hammel of Nevada, NAIC president. Commissioner Combs of Arkansas is program committee chairman.

Raps Association Group Bills In Tex. Legislature

Two bills in the Texas legislature which would permit the sale of group life to trade and professional association members were assailed by Harper Bass, Massachusetts Mutual general agent at San Antonio.

Speaking before San Antonio Life Managers Club, Mr. Bass said the legislation, if enacted, would be harmful to buyers of such insurance. Younger members would pay higher rates to cover the older and the uninsurable, and the buyers are being led to believe they have permanent insurance while actually it is a form of term, he said.

Recommends Change In N. J. Disability Law

The New Jersey advisory council of disability benefits, in its annual report to Gov. Meyner, listed eight recommendations for changes in the state's temporary disability benefits law. Because there was a difference of views among the members of the council, of which John B. Rooney, secretary of America Fore Loyalty group, at Newark, is chairman, majority and minority reports was presented.

Two recommendations were unanimously approved by the council: A provision for extension of coverage to employer and employee contributions another providing subrogation rights for state plan and private plan insurers on claims where awards are recovered for injuries caused by a third party.

The majority report recommended that the taxable wage base for both employer and employee contributions be raised from \$3,000 to \$4,200 a year to help finance the increased disbursements called for in other recommendations. The minority report declared that any increase in the taxable wage base works to the detriment of stable employers who pay high wages and to the advantage of unstable employers who pay low wages.

Majority Report

The majority report recommended the establishment of a fluctuating benefit maximum by providing for the adjustment of the maximum weekly benefit rate at the beginning of each calendar year to equal three-fifths of the average weekly wage during the preceding fiscal year. The minority report stated that to allow the maximum benefit to drift, "free from the control of the legislative and executive branches, would be most unwise."

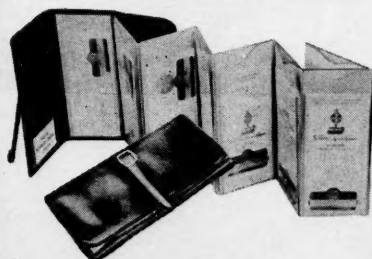
To bring the disability insurance law into conformity with the unemployment compensation law—a section of which covers disability during unemployment—the majority recommended that benefits be paid for the first seven days of disability if the three weeks immediately succeeding are weeks of compensable disability. Statistics indicate that 67% of claimants are ill four or more weeks. The minority stated that such a provision could lead to malingering and pointed out that none of the other three states with disability programs provide retroactive benefits.

Other recommendations were to increase the maximum weekly benefit payment, to extend payment to 39 weeks and to pay an additional \$3 per day to hospitalized claimants.

Lincoln Liberty Life wrote \$4,169,012 of new business in February, a record for any month.

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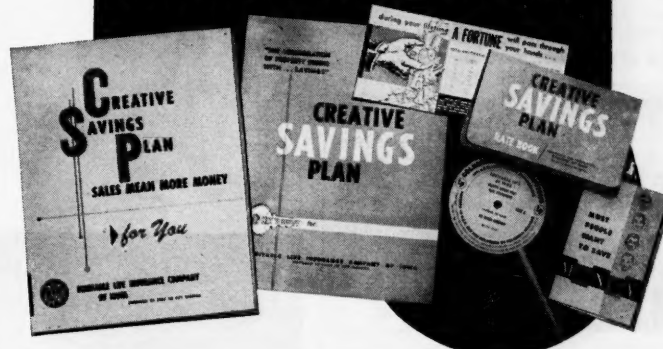
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NALU AGENTS FORUM

Home Office Aloofness, Long Hours Hurt Average Agent's Morale: Krueger

Home office executives' aloofness toward the average agent, plus the need for working longer hours than most other people were cited by Gerhard Krueger, Equitable of Iowa, Chicago, as reasons for being less than completely convinced that the life insurance selling career would be a desirable one for his son. Mr. Krueger was a panelist at the NALU agents forum at the mid-year meeting in Minneapolis. Following is a slightly abridged version of his talk.

If I were to answer the question of whether I'd advise my son to go into the life insurance business, I would, of course, say yes—"but." It's this "but" that has been a basis of concern to most of us. Another answer to the question has been "While I am in the business—yes, I would advise my son to get into the business because I am in a position to help him, but I doubt that I would advise him so if I were not already successful at it."

To many of us here at NALU either at the agents forum at committee meetings, in the halls of this hotel or in the many discussions at home with your associates this little word "but" appears and reappears. There has to be an answer somewhere.

'Capable And Loyal'

Is it because we as underwriters are a sorry lot of dissatisfied and complaining little boys as some have expressed it, or are we men capable of guiding our own future, our own destinies? Aren't most of us loyal to our own companies even though that loyalty has had to be stretched to the extreme? Are we to become the unwilling pawns of our home offices? I believe we are capable and loyal. However, too few of us have taken the time to concern ourselves with the problem of the business. So naturally, the home offices had to do it for us. Unfortunately the results have been extremely poor company and agent relations.

Can we lay the entire blame for this situation at the door of the companies? I would have to say no. On the other hand there have been overtures made to the home office only to meet with total failure. It's reasonable to assume that our home offices have some gripes about us but for today let's visit about a few of our dissatisfactions that most of us have recognized as needing a complete revision in company and agent relations.

Discusses Contributing Factors

I would like to discuss with you those factors which have largely contributed to this situation. Here is where our "but" plays its part.

Aside from the ever current topic of mass selling vs individual policy contracts needing no additional conversation, other than the apparent fear of the eventual needlessness or curtailment of the agent, there is a greater and more urgent need for get-togetherness in order to build and maintain

top agent morale. What I am about to say is not true of each and every company, God bless 'em, but it is true of entirely too many organizations:

1. Aloofness of home office personnel—particularly as it applies to Mr.

Average Agent—say a producer of from \$300,000 to \$700,000 and by far the man responsible for the terrific success of our business and representing the majority of agent personnel. You no doubt have noticed Mr. Agency Vice-president walking along the lobby with Mr. General Agent or perhaps Mr. Million Dollar Round Table without so much as saying hello to Mr. Average, or even a flicker of recognition as he passed.

Haven't you had almost the same experience at home when an agency vice-president or other company offi-

cer visited your agency, other than the auditor who has to say hello in order to ask for any undelivered policies? Hasn't this also happened at our company conventions? Isn't it true that we would appreciate an opportunity of discussing a few of our problems with our company officers.

2. Most men pride themselves on being part of a team but does such action indicate any sort of team spirit? Certainly not. So you ask yourself, are you a part of this team? Are you wanted around here? The answer is

(CONTINUED ON PAGE 19)



Gerhard Krueger



We've reached tw

HANCOCK LEADERS MEETING

Elliott Calls Life Industry Unique Example To Rest Of Business World

Life insurance provides an "unparalleled example for the entire world of business," President Byron K. Elliott told the ordinary agencies leaders of John Hancock at their convention at White Sulphur Springs.

Mr. Elliott observed that this "tre-

mendously vital industry" revolves completely around the simple fact of family ties—the recognized moral obligation and the inherent desire of the individual to provide security and independence for those he loves.

"We all recognize that life insurance

provides a ceaseless stream of capital for the whole free enterprise system," he said. "Yet, I believe that it is the non-economic factors that are likely to be the most powerful instruments of economic development."

Noting that more than 80% of all the property of decedents left in the United States consists of life insurance, Mr. Elliott said that men and women in the life insurance industry can be proud of the job they do as the creators and conservators of individual security. He observed that John Hancock's record of \$2,577,000,000 in

individual business in 1958 rose from 4% to 4.9% of the total of such insurance. Its share of group, totaling \$691 million, rose from 4.3% to 5% of the total.

Vice-president R. R. Massey announced a paid-for record of \$488 million. Total ordinary gained \$85 million. The Erickson agency in Buffalo led in ordinary volume, with \$30 million, up \$9 million. Pitcher, Boston, was runner-up and Bean & Jones, Chicago, was third.

With an impressive group volume,

(CONTINUED ON PAGE 22)

Two billion dollars ...in benefits-to-be

N/W National Life has just passed the \$2,000,000,000 mark of insurance in force.

This means that if all policies now on our books are continued to maturity we will pay out more than \$2,000,000,000 in benefits.

Much of this money will be paid to families who have lost their breadwinner. Some will be in the form of living benefits to make retirement enjoyable; Mr. Charles P. Strickland of Santa Paula, California, pictured left, began drawing such an annuity just as we crossed the two-billion mark. Some will help put youngsters through college, enable people to meet emergencies or grasp opportunities. All of it will go to making happier, more worthwhile living.

N/W NATIONAL *Life Insurance for Living*

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY, MINNEAPOLIS, MINNESOTA



"BUSINESS CONDITIONS can be unpredictable, but this annuity is something I can always count on," says Charles P. Strickland, right, of Santa Paula, California. Mr. Strickland is shown receiving the first of his monthly retirement checks from Harold D. Leslie, C.L.U., N/W National's general agent for Southern California. Formerly manager of the Santa Paula Citrus Association, a Sunkist affiliate, Mr. Strickland continues to enjoy life with a full schedule of civic, social and business interests.

Conventions

- April 13-15, LOMA automation forum, Drake Hotel, Chicago.
- April 16-17, Life Insurance Advertisers Assn., north central round table, Netherland Hilton Hotel, Cincinnati.
- April 20-22, LIAMA, A&S meeting, Edgewater Beach Hotel, Chicago.
- April 29-May 1, Zone 5 of NAIC, Arlington Hotel, Hot Springs, Ark.
- May 1-2, Assn. of Advanced Life Underwriters, annual, Shoreham Hotel, Washington, D. C.
- May 3-5, Zone 3 of NAIC, Sheraton-Seelbach Hotel, Louisville.
- May 4-6, Health Insurance Assn., annual, Bellevue-Stratford Hotel, Philadelphia.
- May 5-8, Interamerican Conference of Life Underwriters, annual, Havana Hilton Hotel, Havana.
- May 6-8, LIAMA, combination companies conference, Roosevelt Hotel, New York.
- May 10-12, Life Insurance Advertisers Assn., southern round table, Dinkler Plaza Hotel, Atlanta.
- May 10-13, LIAMA, agency officers round table, Homestead, Hot Springs, Va.
- May 11-13, Home Office Life Underwriters Assn., Edgewater Beach Hotel, Chicago.
- May 15, Illinois Assn. of Life Underwriters, annual, Hotel Leland, Springfield.
- May 18-20, Insurance Accounting and Statistical Assn., annual, Ambassador Hotel, Atlantic City.
- May 21-22, Pennsylvania Life Underwriters Assn., annual, York.
- May 24-26, Western round table of Life Advertisers Assn., Ambassador Hotel, Los Angeles.
- May 25-26, Assn. of Life Insurance Counsel, annual, Greenbrier, White Sulphur Springs, W. Va.
- June 3, Fraternal Actuarial Assn., spring meeting, Atlanta Biltmore, Atlanta.
- June 4-5, Society of Actuaries, regional, Atlanta Biltmore Hotel, Atlanta.
- June 8-12, NAIC, annual, Statler Hotel, Boston.
- June 10-13, Florida Life Underwriters Assn., annual, Robert Meyer Hotel, Jacksonville.
- June 11-12, Society of Actuaries, western meeting, Fairmont and Mark Hopkins Hotels, San Francisco.
- June 11-13, ALC medical section, The Homestead, Hot Springs, Va.
- June 14-17, International Assn. of A&H Underwriters, annual, French Lick-Sheraton, French Lick, Ind.
- June 15-26, ALC life officers investment seminar, Beloit College, Beloit, Wis.
- June 18-20, Life Insurers Conference, annual, Greenbrier, White Sulphur Springs, W. Va.
- June 19-20, Alabama Life Underwriters Assn., annual, Houston Hotel, Decatur.
- June 21-25, Million Dollar Round Table, annual, Americana Hotel, Miami Beach.
- June 28-July 1, Consumer Credit Insurance Assn., Desert Inn, Las Vegas.
- June 30-July 2, International Assn. of Insurance Counsel, annual, Banff Springs Hotel, Banff, Alberta, Canada.
- July 23-25, National Assn. of Life Companies, Inc., annual, Castle in the Clouds, Chattanooga.
- Aug. 31-Sept. 2, International Federation of Commercial Travelers Insurance Organizations, annual, Broadmoor Hotel, Colorado Springs.
- Sept. 1-4, National Insurance Assn., annual, Sherman Hotel, Chicago.
- Sept. 11-12, Southwest Management Conference, Statler Hotel, Dallas.
- Sept. 20-23, National Fraternal Congress of America, annual Sheraton Hotel, Philadelphia.
- Sept. 20-25, National Assn. of Life Underwriters, annual, Bellevue-Stratford Hotel, Philadelphia.
- Sept. 21, Fraternal Actuarial Assn., annual, Sheraton Hotel, Philadelphia.
- Sept. 27-30, International Claim Assn., annual, Americana Hotel, Miami Beach.
- Sept. 28-30, Life Office Management Assn., annual, Edgewater Beach Hotel, Chicago.
- Oct. 12-13, Conference of Actuaries in Public Practice, annual, Drake Hotel, Chicago.
- Oct. 12-16, American Life Convention, annual, Edgewater Beach Hotel, Chicago.
- Oct. 26-28, Life Advertisers Assn., annual, Drake Hotel, Chicago.
- Oct. 28-30, Institute of Home Office Underwriters, annual, Statler Hotel, St. Louis.

Trim \$1.3 Million Off Texas Board Budget Request

AUSTIN—Budget requests of the Texas board for a total of \$5,845,155 for the next biennium were reduced by more than \$1.3 million in the house general appropriations bill.

The bill gives the board \$4,507,440, with the major cuts being in the examination division and in plans for an extensive re-survey of fire rates.

However, the appropriation represents an increase of about \$240,000 for the two years over the present figure of \$4,268,927.

Rep. Truett Latimer of Abilene said salaries of board members were set at \$15,000 a year, in line with his bill that would place them on a full-time basis. It also would cut the commissioner's salary from \$20,000 to \$15,000, on the theory that he should not be paid more than those who supervise him.

The bill follows the recommendation of the legislative budget board, being

only \$10 higher. It is far below the recommendation made by Gov. Daniel for a total of \$5,627,554.

Another Dismissal By FTC

The Federal Trade Commission has dismissed for lack of jurisdiction its complaint that Sterling Insurance misrepresented benefits in its advertising of A&S policies. The dismissal was based on the U. S. Supreme Court decision in the National Casualty and American Hospital & Life cases.

Par-Am Life Opens Field Supervisor Training Program

Pan-American Life has inaugurated a field supervisor training program, whereby young men with experience in insurance selling or field supervision, other than manager or general agent, will be invited to go to the home office to be trained for eventual general agent positions.

Those who meet the qualifications will spend a portion of each month in the home office learning procedures and supervisory techniques and the remainder of their time in the field on various assignments with agencies throughout the company's territory. Regional Agency Vice-presidents Paul Light and Bernard S. Lyon will supervise the program and conduct personal interviews with applicants.

First to be trained under the program is Seth C. Gatchell, a former agent in Pittsburgh for Union Mutual Life and later for Canada Life. He entered the public relations field as assistant director of public relations for Pittsburgh's educational television station, WOED. Later he became public relations director and assistant manager of the Pittsburgh Symphony Orchestra.

General American Has Successful Campaign Honoring F. M. Peirce

The "49'er Sales Campaign" of General American Life, a sales campaign honoring President Frederic M. Peirce on his 49th birthday, resulted in a final written total equivalent volume of \$29,701,208, including \$25,683,023 life, \$2,861,671 group, and \$1,156,513 A&S.

Comparing the "49'er" campaign with the first campaign of 1958 on a comparable time basis, total equivalent volume written was 21.4% higher this year. Life volume showed a 27% increase, with A&S equivalent volume up 15.1%.

Promotional material for the campaign was designed around a Gold Rush theme, and included a solid "gold" nugget; a prospector's treasure map desk blotter and a prospector's kit.

Massachusetts Companies Again Back Math Contest

As part of a continuing program to encourage outstanding young men to enter the actuarial profession, several insurance companies with home or regional offices in Massachusetts are again sponsoring a mathematics contest among undergraduates of secondary schools in the state.

This year's contest, scheduled for May 2, will be the fourth sponsored by Massachusetts companies. Last year, 1,296 students representing 193 secondary schools competed for \$1,000 in prizes, various medals and awards.

Sponsoring companies are Berkshire Life, Boston Mutual, Columbian National, John Hancock, Massachusetts Indemnity, Massachusetts Mutual, Monarch Life, New England Life, Paul Revere Life, Prudential and State Mutual Life.

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Gilbert J. Tesak
of Atlanta, Georgia #1
leading Agent
weekly premium increase.



Paul S. Catpoper
of Augusta, Georgia
leading Agent
regular ordinary increase.



Robert A. Galt
of Wayne, Michigan
leading Associate Manager
weekly premium increase, per man basis.

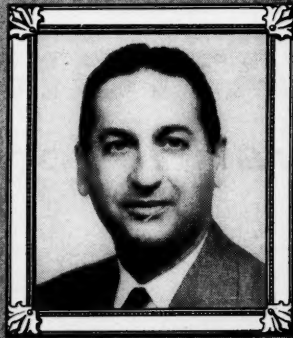
LIFE OF VIRGINIA'S GALLERY OF LEADERS



Joseph H. LaPlides
of Wayne, Michigan,
leading Associate Manager regular
ordinary increase, per man basis.



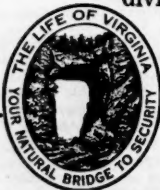
J. Malbert Smith
of Winston-Salem, North Carolina
leading Manager
weekly premium increase, per man basis.



Morris Kordits
of Wayne, Michigan
leading Associate Manager
regular ordinary increase, per man basis.

We are proud to present to the insurance world these six leaders in Life of Virginia's Combination Agency Division. They were tops among all Combination Representatives who qualified for their Company's 1959 Regional Conventions.

During 1958, each of these men personally, or as an agency executive, established an outstanding record. But even more than that, each supplied inspiring leadership to the whole Life of Virginia organization. The type of leadership that helps an ever-growing number of American individuals and families to achieve "The Natural Bridge to Security".



THE LIFE INSURANCE COMPANY OF VIRGINIA

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Urges Research Into Influences Bearing On Anti-Selection

Wider research into the continuing effects of environment and change on the mortality of life insurance policyholders, especially in connection with the "anti-selection" which occurs upon the withdrawal of policyholders, was urged by Louis Levinson, vice-president and actuary of Massachusetts Mutual, in a paper presented at the eastern spring meeting of Society of Actuaries in New York City.

A wider knowledge by actuaries of the influences bearing on the course of mortality may enable them to determine which are characteristic and which are accidental, according to Mr. Levinson, and such knowledge might permit more accurate determination of surrender charges, reserves and benefits which involve the rate of physical deterioration.

Little Research Done

The paper pointed out that relatively little accurate research has been undertaken in the past as to the shifting rate of mortality among policyholder groups as they age, either as to rate of deterioration or effect of the withdrawal of the better than average risks. He emphasized that, while the concept of anti-selection is well understood by actuaries, the measurement of its effects has not received the attention its importance seems to deserve.

Mr. Levinson suggested that statistics on this subject might well be compiled as a part of all mortality studies and he also suggested that periodic analysis of the mortality of the whole population might be made to properly gauge the changes in rates of deterioration brought about by all the complex forces of general environment. In a technical presentation, he proposed methods of making such studies.

Illinois Mutual L.&C. Enters Group Field

Illinois Mutual L.&C. has entered the group life, A&S and major medical field. Groups of 10 or more employees will be written.



Jack Kummer

Jack Kummer, manager of the franchise department, will head the group department. He has been with the company 13 years. Gene Willis has been appointed to direct sales activities in the metropolitan Chicago area.

Executive Hearings On Tax Bill Will Resume April 9

WASHINGTON — The Senate finance committee has announced it will resume executive hearings on the life company income tax bill April 9. It is expected to seek the views and advice of experts from the Treasury and the staff of the joint committee on internal revenue taxation of the House and Senate.

Life company people do not expect to appear as witnesses at these hearings.

Industrial Life of Canada's sales in 1958 were more than \$125 million, which brought insurance in force at year end to \$611,477,606.

Union Mutual Paying More On Non-Can Fund Of Mass. Accident

PORTLAND, ME.—Union Mutual Life is making the second partial restoration and payment of indemnities of the non-cancellable A&S fund of the former Massachusetts Accident. Union Mutual, under a reinsurance and management agreement, has administered the fund since Massachusetts Accident entered receivership in 1940.

The Massachusetts commissioner has directed that \$501,382 of the surplus shown in the fund as of Dec. 31, 1956, shall be used. Payments will begin May 1. The commissioner also complimented Union Mutual on its "exemplary" way of handling its responsibilities under the agreement.

Each eligible Massachusetts Accident claimant will receive a restoration of 6½% of original indemnities, plus simple interest at 3% per year computed to the date of surrender of the policy, termination of claim, date of death of claimant, or to Dec. 31, 1956, whichever occurred first. No interest will be paid from that date through May 1, 1959.

LOMA Nominating Committee Set

Everett H. Lane, president of LOMA, has named Francis J. Pinque, Colonial Life, as chairman of the association's nominating committee. Other committee members are J. Howard Ditman, New York Life; Walter S. Bearden Jr., National Life & Accident; J. Finlay Allen, Home Life of New York; and Warren J. Moore, Old Line Life.

Dayton GAs Fete Leaders

Agency leaders of Dayton General Agents & Managers Assn. were recognized at a formal dinner for members and wives. Herbert C. Graebner, dean of American College, was the principal speaker and he presented plaques to individual leaders.

LOOK HERE!

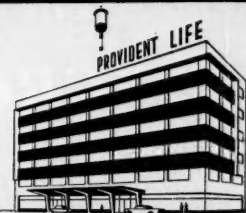
With a proven sales record, and if living in one of the Provident States*, we may have just the opportunity you are looking for.

WHY NOT HAVE?

- Your Own General Agency
- Top Commissions on Personal Production
- Vested Renewals
- Competitive Policies
- Powerful Sales Brochures
- Tops in Support from Home Office
- Growth with a Growing Company

Write in strict confidence to:
Joseph Dickman,
Agency Vice President

*"THE PROVIDENT STATES"
Minnesota, North Dakota, South Dakota, Montana, Wyoming, Idaho, Washington, Oregon, California, New Mexico.



PROVIDENT LIFE LIFE
INSURANCE COMPANY ACCIDENT HEALTH
BISMARCK, NORTH DAKOTA

AMERICA'S INFORMAL BUSINESS CAPITAL

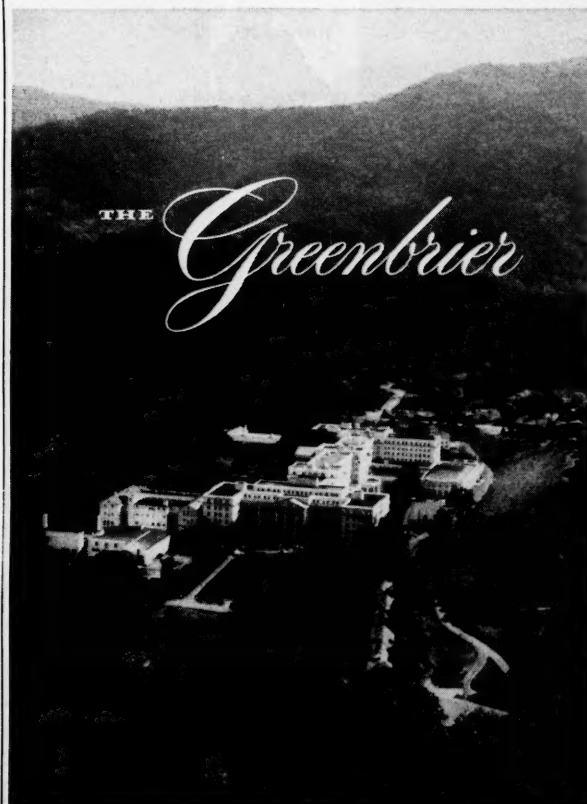
You will find at The Greenbrier the perfect setting for your conference, whether it be for ten or a thousand people. The new, air-conditioned West Wing has an auditorium with a 42-foot stage, new sound and projection machines, splendid banquet arrangements, and a theatre with a CinemaScope screen. Accommodations are magnificent; the food is gourmet fare. For after-session enjoyment The Greenbrier's recreational facilities are unsurpassed. And our staff of experts not only helps in planning your program, but they also handle the details to carry it through successfully.

Special Winter Rates available on request. Include a spacious, luxurious room and The Greenbrier's traditionally fine meals, green fees (our courses are playable much of the winter), swimming in mosaic tile indoor pool, membership in the Old White Club and gratuities to service personnel. EFFECTIVE DECEMBER 1, 1959 through FEBRUARY 29, 1960.

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THE Greenbrier

WHITE SULPHUR SPRINGS • WEST VIRGINIA



Says Volume Needed For Sake Of Client

(CONTINUED FROM PAGE 7)

than because the client asked for it.

Legislation will not cure abuses in the sale of life insurance any more than the 18th amendment stopped the drinking of whisky.

We must think clearly and cleanly. It is our duty to think only from the point of view of the buyer. He pays us our commissions. That is the reason that I sell the bank loan plan if, as, and when it fits a particular situation, but I do not sell the minimum deposit

plan. The name itself implies that it is a continual decreasing amount of life insurance without any cash values. The purpose of life insurance is long-range planning. Ever since I have been in the life insurance business, I have told people that nobody plans to be poor, yet most people have less at age 65 than they had at age 25—after 40 years of working life. I don't believe that I am so smart—so wise—that I can pick out only those people

at age 40 or 45 who will be wealthy at age 65 and will not need the life insurance or its cash value at that time.

The greatness of life insurance, the prestige of life insurance was built up over the years because we could face our prospect and say to him with all the sincerity in our hearts, "This life insurance will take care of your family if you die too soon, and will take care of you if you live too long. This is the real purpose of life insurance and let's not ever forget it! This can only be accomplished through the use of permanent life insurance with built-in

cash values and not through term, group, or minimum deposit plans. In 1958, of the \$7¼ billion of life insurance claims paid, over \$4¼ billion went to living policyholders. That, to me, shows the importance of the living values of a life insurance contract.

Premiums Less Than Liquor Bill

We've considered the top salesmen in the world. We think we are terrific. With all of that, only 3.8% of the net spendable income was used last year by the population of the United States with which to buy life insurance. I honestly believe that more money is spent on liquor than is saved in life insurance. If we are half as good as we think we are, we should make our companies rise to even greater heights with the kind of volumititis that would bring praise and glory to the wonderful business we all represent.

After giving this talk, I am doubly sorry that I do not have a son.

Pritchard And Schriver To Be In U. S. Delegation At Interamerican Conference

Oren D. Pritchard, president of National Assn. of Life Underwriters, and Lester O. Schriver, NALU managing director, will be among the U.S. delegation to the Third International Conference of Life Underwriters when it meets at the Havana-Hilton Hotel, Havana, May 5-8. Ann Bickerton, NALU director of field service, will also be among the delegation from the association.

The four-day conference will consist of a series of discussions on life insurance as an instrument of peace and international good will.

Voice Power Specialist To Talk Before Nassau Agents Luncheon

Paul Mills, a partner of Sales Power Corp., specialists in developing sales personalities through the better use of voice power, will be guest speaker during the luncheon meeting of the Nassau branch of New York City Life Underwriters Assn. at the Starlit Lounge, West Hempstead, April 16. Subject of his talk will be "How to Put Selling into Your Voice."

Bernard Bergen Honored As Mutual Trust Life Leading General Agent

Bernard S. Bergen, Brooklyn, was honored as 1958 leading general agent during the Mutual Trust Life convention at Hollywood Beach, Fla. Other members of the Bergen agency honored were Howard M. Katzen, who for seven consecutive years has produced in excess of \$1 million, and Sophie Lubroth, Mutual Trust's first woman agent to top the \$1 million production mark.

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Aloofness, Long Hours Hurt Agent's Morale

(CONTINUED FROM PAGE 14)

obvious: A feeling of insecurity is created, with resultant low agent morale.

So, Mr. Agency Vice-president, Assistant or Superintendent of Agencies, reflect a moment and ask yourself if this doesn't apply to you. Or are you blinded by your position, not seeing the opportunities for better relations with your company agents. Remember it's these Mr. Average producers who are in a large part responsible for your income.

Why The Sudden Change?

We also have to ask why the sudden change on the part of our home office personnel. Is it because they feel that by being exposed to the agent they also expose themselves to criticisms by the agent for varying disagreeable company policies? It could be, however, that much of this could be resolved by establishing an agents' committee or a company agents' association. While of some help, a general agent's advisory committee is inadequate.

If such agent committees in the past 10 years had been in operation within our companies, I feel certain that many of our specials would not be plaguing us. We would not be the target of highly arbitrary action of the companies to alter agents' compensation agreements without in some cases giving an individual a choice of continuing with his former agreement or without the benefit of adequate discussion as to the reasons for its termination or the evaluation of the new agreement.

'More Than Unreasonable'

Our business is one of the few in which only one party determines the contents of an agent's contract or the merchandise he is expected to sell and this I maintain is more than unreasonable.

The argument that the often reduced premiums have resulted in more sales and more commissions when no doubt the contrary is true gets a little tiring. If we are wrong in our assumption, then let's see proof. If on the other hand we are right, isn't it high time to offer some relief to this problem, particularly in view of the ever increasing expenditures in the conduct of our business. It doesn't seem equitable that the public is paying higher and higher prices for all their purchases but their life insurance.

It has recently been stated by a university professor on completion of a survey into the income of life agents that a man can earn as much as \$20,000 a year if he is willing to work 60 hours a week. I say this statement is anything but conducive to advising my son to enter the business. Especially so when a plumber, bricklayer, carpenter or electrician can earn almost as much if working these same 60 hours and, to top it off, with considerably lesser problems, without the headaches and expenditures known to our profession.

This statement seems particularly

ridiculous when we see almost all industries cutting to a 40-hour week including, of course, our own home offices. Still the life underwriter is expected to work many long hours for the purpose of supporting himself and his family. Are we expected to continue in this unenviable position? I hope not. But we will unless, of course, our home offices see fit to do something about it and they should.

Then finally we have this ugly word "twisting" appear again with such force as to have several insurance departments rear up in anger. We, of course, are aware that part of the blame for this may be laid at the door of the short-change, fast-buck artist or the ever-present unscrupulous agent. Yet the greater part of this blame can only be laid at the companies' doors. Their failure in proper investigation, supervision and underwriting has added more than its fair share to this condition.

Much Twisting Condoned

Much of the twisting in recent years has been completely condoned even though evidence of this practice had been made available, proving that some companies care little how the business is obtained. If nothing else is ever accomplished, this should certainly be no longer permitted in view of its immediate effect on the insuring public.

These then are a few of the problems agents are wrestling with. They could and should be resolved if the responsible people are ready to offer their cooperation. It's a company and agent problem and should not be dragged into legislatures of the state or federal government.

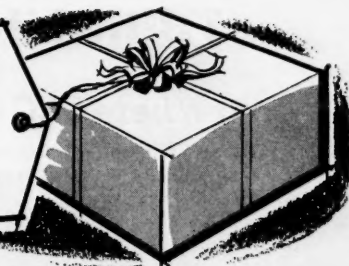
O'Toole Starts Publication On Management Ideas, News

O'Toole Associates, Queen's Village, N. Y., management consultants specializing in life, fire, casualty and fraternal insurance companies countrywide, has begun publication of "Management Briefs," which will be issued from time to time for clients and prospective clients. The publication deals with ideas, problems, and suggestions in the field of insurer management.

Among the topics discussed in the first issue are the basis of executive performance, salary pressures, questions on sales activity, compensating directors by retainer, a check list of what a president should do, how to make hard decisions easier to make, the price of a cup of coffee (the full cost of the coffee break), what to expect of a senior supervisor, and how to choose a management consultant.

Production totals of Massachusetts Mutual's Steinberg agency at New York were \$2,008,635 in January and \$2,677,525 in February, gains of more than 100% for each month.

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5A	Sole Proprietorship	\$233,000
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10A	Corporation	25,000
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21A	Estate Protection	322,500
	TOTAL	\$862,000

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Editorial Comment

An Area Where SEC Could Do Some Good

The increasingly widespread use of the Ralph Hendershot book, "The Grim Truth About Life Insurance," by mutual fund salesmen makes it timely to point out some serious flaws in this book that may have escaped many life insurance readers and would certainly elude nearly all other readers.

The book is riddled with errors but there is one elementary mathematical error that is so inexcusable and at the same time so fundamental to the book's main argument that by itself it is enough to undermine the volume's usefulness as a competitive weapon if readers could be made aware of it.

The error occurs at the top of page 25, in the course of Mr. Hendershot's calculation of a whole life level premium rate at age 35. He figures an annual deposit "roughly" at \$12. "Roughly" is certainly the word for it. An actuary, or, in fact, any person able to run a simple calculating machine, would arrive at a figure of \$15.91 for exactly the same benefit based on the mortality table and the rate of interest assumed by Mr. Hendershot. This is not a matter of theory—it is purely a matter of arithmetic.

This \$3.91 error becomes \$5.08 when it is loaded for expenses according to Mr. Hendershot's formula. Five dollars may not seem a lot in itself. It is \$5 a year on a \$1,000 policy. It is \$500 a year on a \$100,000 policy. When applied to the insurance in force in the United States, it becomes a multi-million dollar figure. This error, to give it a kind name, is the basis of his subsequent claims that the life insurance companies are milking the policyholders of hundreds of millions of dollars.

To prove this, Mr. Hendershot sets up his straw-man rate of \$21.57 (page 31), which should be \$26.65, if correctly calculated on his own assumptions. He compares this \$21.57 with non-participating rates actually charged by the stock insurance companies (as an example, a well known stock company's rate is \$21.65 for a \$1,000 policy, and \$19.64 for policies of \$10,000 and up). He then accuses the companies of pocketing the gain from present-day improvements in interest and death rates. But if he had used the correct figure of \$26.65, he would have had to admit that notwithstanding increased expenses, premium rates today have been decreased by \$5 and \$7.01 per \$1,000. This basic error is fundamental to most of the author's less absurd criticisms. The "rough" figure of \$12 (which should be \$15.91) occurs no less than 10 times in the next 20 pages of the book.

The book also drags out (page 41) the ridiculous thesis that the reserve belongs to the policyholder and hence "the policyholder is being charged interest on his own money" if he borrows against it. Obviously, the funds held to mature the policy must earn interest, whether borrowed back by the policyholder or invested in bonds or mortgages. If every policyholder

borrowed back his reserve without paying interest, the company's earned interest rate would be zero, which would naturally make the cost of insurance very much more than it is at present. It would be a boon to savings bank depositors if Mr. Hendershot could figure out a way for them to "borrow back their own money" without paying interest and still receive their usual quarterly dividends on their deposits.

Following these obviously and demonstrably untrue passages, the next 30 pages of this self-serving little book are devoted to castigating the life companies with misstatements based on these fallacies or others like them.

The final chapter of the book is essentially devoted to a description of the merits of term insurance, which, of course, makes clear the real purpose of the book. The author recommends term insurance plus mutual fund investments. No one should quarrel with his right to do so, but issue can and should be taken with recommendations based on false and misleading statements.

If any doubt still remains as to the purpose of the book, the sales letter put out by G. P. Putnam's Sons and quoted in THE NATIONAL UNDERWRITER of March 14 should supply the answer.

"Now that you've had opportunity to read 'The Grim Truth About Life Insurance,'" says the Putnam's letter, "you can appreciate what an amazing door opener it can be in your business. . . . It swiftly convinces the average person that life insurance is a miserable investment. Further, the book shows how to unlock the cash trapped in endowment policies and release it for a dynamic program of capital growth, through systematic purchase of your mutual funds."

As mutual fund salesmen are not

subject to the jurisdiction of the state insurance departments, the question naturally arises as to possible action by the Securities & Exchange Commission prohibiting the use of the book in connection with mutual fund sales. If the SEC hasn't the power to keep mutual fund salesmen from misleading the public with the Hendershot book, it is a sad commentary on the potency of this highly touted system of federal regulation.—R. B. M.

Personals

Crawford H. Ellis, president of Pan-American Life, has been named New Orleans 1958 star salesman-at-large by the New Orleans Chamber of Commerce.

Donald E. Lynch, director of public relations of Mutual Benefit Life, has been elected president of the Advertising Club of New Jersey, an organization having 365 corporate and individual members.

Clarence J. Skelton, senior vice-president and production planning coordinator of Republic National Life, has been elected president of Oak Cliff (Tex.) Rotary Club.

Dudley Martin, director of press relations of Institute of Life Insurance, has returned from visiting financial editors and magazine publishers in Cleveland, Detroit, Lansing, Chicago, Milwaukee, St. Paul, Minneapolis and Des Moines.

Morgan O. Doolittle, president of Empire State Life, celebrated 25 years of service at a dinner given by the directors and department heads. Douglas S. Felt, agency vice-president, presented Mr. Doolittle with more than 100 applications which brought Empire's life in force to over \$100 million.

Deaths

E. LEIGH JONES, pension department manager of the Howland agency at Detroit of Massachusetts Mutual, died. He was a pioneer in the pension trust business of the agency and the company. He was a life and qualifying member of the Million Dollar Round Table.

ELMER C. BROCK, 72, retired general agent of Aetna Life, died at Seattle. He was general agent at Springfield, Mass., from 1924 until 1929 when he was transferred to Seattle in the same capacity. In 1933 he formed his own agency.

ALFRED E. MAGNELL, for many years insurance and financial editor of the Hartford Courant, died at his home following a heart attack. He retired three weeks prior to his death.

PERCY A. PEYSER, 68, general agent of Manhattan Life in New York City, died in his home after a short illness. He entered the life insurance business in New York in 1925 with Massachusetts Mutual, after having been sales manager and treasurer of one of the first Fiat automobile distributors in New York. After four years as a partner in a New York general agency of National Life of Vermont he returned to Massachusetts Mutual as

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DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

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By H. W. Cornelius, Bacon, Whipple & Co.,
135 S. LaSalle St., Chicago, March 31, 1959

	Bid	Asked
Aetna Life	240	245
Beneficial Standard	13	13 3/4
Business Men's Assurance	42 1/2	45
Cal.-Western States	102	110
Commonwealth Life	23 1/2	25
Connecticut General	345	355
Continental Assurance	166	172
Franklin Life	75	77 1/2
Great Southern Life	83	89
Gulf Life	23 1/4	24 1/4
Jefferson Standard	90 1/2	92 1/2
Kansas City Life	1590	1635
Liberty National Life	44 1/4	47
Life & Casualty	20 1/4	22 1/4
Life of Virginia	50	52
Lincoln National Life	207	212
National L. & A.	114	116 1/2
North American, Ill.	16 1/4	17 1/4
Nw. National Life	95	99
Ohio State Life	300	335
Old Line Life	29 1/2	31
Republic National Life	72 1/2	75
Southland Life	120	140
Southwestern Life	140	155
Travelers	88	90 1/2
United, Ill.	41	43
U. S. Life	42 1/4	44 1/4
Washington National	58	66
Wisconsin National Life	94	101

production manager of the former Keane-Patterson agency. In 1940 he became general agent of Manhattan Life. A son, Peter A. Peyser, is manager of Mutual of New York in White Plains, N. Y.

B. W. BALAY, auditor and tax accountant of Inter-Ocean of Cincinnati until his retirement in 1955, died at Jacksonville, Fla. he was an examiner of the Indiana department and a chief accountant of Old Trails Auto Insurance Assn. before joining Inter-Ocean in 1931. He was a director of the company at the time of his death.



B. W. Balay

Says SS Reserve Fund Will Still Be Rising In 2020 On '58 Basis

The social security changes going into effect this year as a result of the 1958 congressional amendments are expected to keep the social security program on a sound actuarial basis, with a growing reserve fund balance to at least the year 2020, according to Robert J. Myers, chief actuary of the social security administration in Washington.

In a paper presented at the eastern spring meeting of Society of Actuaries in New York City, analyzing the effects of the 1958 changes in benefits, contributions and operating details, Mr. Myers showed the probable build-up of the OASDI trust funds, based on several different assumptions.

The amount of these trust funds, at \$15,540,000,000 in 1951, had grown to \$23,042,000,000 in 1957 and dipped slightly to an estimated \$22,962,000,000 at the end of 1958. By 1965, however, using an estimate based on high employment and intermediate cost factors, they will have risen to \$33,199,000,000 and by 2020 they will be at \$303,046,000,000.

These figures are based on the premise that contributions from employees and employers, which were \$9,612,999,999 in 1958, will be \$38,249,000,000 by 2020. This presupposes that contribution rates will increase as now scheduled, to a maximum combined employer-employee rate of 9% of covered earnings in 1969 and later. It is also estimated that benefit payments, which amounted to \$9,935,000,000 last year, will reach \$43,046,000,000 by 2020.

Sharp deviations in the many factors entering into these computations could result in material changes in the trust fund growth, according to Mr. Myers. For instance, the OASDI reserve balance in 2000 would be \$325,073,000,000 under low-cost assumptions but under a high-cost estimate would be only \$47,194,000,000 and actually be exhausted in 2010.

The 1958 changes liberalized benefits, but they also strengthened the financing basis of the system, Mr. Myers said.

LOMA Institute Enrollment Up 13%
Student enrollment in the 1959 LOMA institute program is 13,417 increase of 13%, and the number of new students is 5,717, a 6% gain. Examinations scheduled for May this year, will total 24,014, up 15%. The 475 participating companies represent a gain of 12%.

THREE-CITY STUDY RESULTS:

50% Of Life Agents Surveyed Hold Fire, Casualty Licenses

Slightly over 50% of more than 1,000 full time life agents surveyed by Life Insurance Agency Management Assn., are licensed to sell fire coverage and about the same proportion hold casualty licenses. The survey, conducted among agents representing 18 companies, covered men located in Chicago, Philadelphia and Denver.

A large majority, some 92%, of life agents selling either fire or casualty sell both coverages, the survey shows, and almost half of the responding agents receive current income from the sale of insurance other than life and/or A&S coverages.

The study also shows that the longer an agent's service, the more likely he is to earn an appreciable part of his income from fire, casualty, marine and bonding lines. However, even among life agents under contract less than 18 months, one out of four receive some income from these other lines.

Chicago Tops Other Cities

An interesting sidelight of the study is the difference between the results in Chicago and those in Philadelphia and Denver. A larger percentage of agents from the Chicago area sell insurance other than life and A&S than is true in the other two cities. In Chicago 55% had sold a fire policy within the last 18 months, while only 32% in Philadelphia and 25% in Denver had written a fire case. Casualty sales were made by 56% of the Chicago agents, by 32% in Philadelphia and 27% in Denver. Marine was sold by 38% in Chicago with 17% and 14% being sold by agents in the other cities, respectively. Percentages for bonding sales were similar: 22% in Chicago, 12% and 11% in Philadelphia and Denver.

Looking at the current insurance income of surveyed agents, LIAMA found that less than 30% in Philadelphia and Denver receive income from sales other than life or A&S, while in Chicago almost 60% receive income from these other lines.

It was thought that selling A&S coverage would influence the sales in other lines. However, this relationship was not as pronounced as had been expected. In the small group of 272 men who have no A&S income, 24% have some income from other than life and A&S sales, while the proportion among 692 men with A&S income is 53%.

The group of agents in the study is about equally divided between those companies writing A&S and those which do not. As would be expected, more agents from companies offering A&S earn some income from this source and more earn large proportions of their income from these sales. But more than half of the agents of companies not offering this type of insurance are also selling A&S.

The sale of other lines of insurance is as prevalent among life agents whose companies do not sell A&S coverage as is true of agents whose companies do.

The report also shows that even though the sale of insurance other than life and A&S increases with length of service, nevertheless 43% of the more experienced agents do not receive any income from other than life and A&S sales.



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Willis E. Davis, Louisville, second right, receives congratulatory handshake from Byron K. Elliott, president of John Hancock, at agency leaders meeting in White Sulphur Springs, where Mr. Davis was named 1958 total ordinary volume leader.

Other leaders pictured are Reed W. Davis, Portland, Me., total lives, left, and John Zima, Washington, total volume and total premiums.



Calls Life Industry Unique Example To Business

(CONTINUED FROM PAGE 15)

the Riordan agency, Washington, D. C., took top honors in total production, with \$125 million in credits. Erickson led in A&S.

Leaders among the agents were R. W. Davis, Portland, Me., total lives; R. H. Grills, Denver, ordinary lives, first-year agents; Herbert Schiff, New York City, personal A&S premiums; W. E. Davis, Louisville, ordinary volume; John Zima, Washington, D. C., total volume and total premiums; Harry Potash, New York City, ordinary premiums, and A. N. Davis Jr., Baltimore, ordinary lives.

Edward G. Thomas, agent at Denver, urged the "many-lives route" as the most logical and direct way to Million Dollar Round Table membership. He cited studies by the Round Table showing 66% of MDRT qualifiers surveyed made it in their first 10 years and 40% of this group averaged 150 lives a year by their sixth year.

W. C. Campbell, assistant general agent at Huntington, W. Va., recommended group insurance as a lucrative sales area.

"I hate to think of the group cases I might have written in my early years in life insurance if I had only so much as asked for the business," he said. "I was doing a fair amount of ordinary with customers who were buying their group elsewhere. Unfortunately, I was accepting this as the price of specialization in not being a group man but something else."

Alvin E. Katz, assistant general agent at Niagara Falls and a qualifying and life member of the MDRT, credited his success to selling more than 100 lives a year. "If you don't deliberately form good selling habits, the chances are that you will unconsciously form bad ones," he said.

Robert W. Carey, director of personal A&S, emphasized the opportunities in the sale of A&S and hospitalization. Major medical, he said, is not just for the wealthy. A company survey showed about 54% of insured families had incomes of less than \$10,000 a year.

Explores Supervisor's Role In Group Cases

(CONTINUED FROM PAGE 8)

good prospect, but it is important for the group agent or his supervisor to first find out the benefits which are in effect, whether they are adequate, whether experience has been satisfactory and what new benefits should be considered for the prospect.

"For example," he said, "suppose a firm has an adequate plan of group life, statutory DBL and Blue Cross on an employees-pay-all basis. A discussion may reveal that management is interested in major medical and a profit sharing plan."

As for protecting the original broker in a competitive situation, where more than one broker or agent is involved in the same group case, Mr. Silverman suggested, first, that the broker or agent be advised if a request from another representative has been received. The original broker should always be so advised, if only as a matter of courtesy. Problems, more often than not, arise with brokers who are kept in the dark about competitive developments on their cases.

"Since we are unable to dictate to the policyholder that a certain broker has to be named," Mr. Silverman advised, "it is up to the broker to protect his own interests and here the group man's guidance can be helpful to him."

Transfer Inadvisable

As a general rule, Mr. Silverman said, it is inadvisable for an insured to transfer in-force coverage from one insurer to another, particularly if coverage has been in effect for some time and the policyholder is satisfied. With a new insurer, there is always the necessity to incur new commissions and new acquisition costs.

However, Mr. Silverman added, there are some situations where a change may be warranted. For example, a large insured company with a variety of plans in force through several insurers may find it more economical from its own standpoint to consolidate all coverages with one insurer and thus eliminate duplication of work and administrative charges.



NEW HANCOCK GENERAL AGENTS PRESIDENT—Byron K. Elliott, president of John Hancock, congratulates George H. Plante, Cleveland, on his election as president of the general agents association during agency leaders meeting at White Sulphur Springs, as other new officers look on. From left: Edward E. Beason, Birmingham, 1st vice-president; William F. Grace, New Orleans, 2nd vice-president; Mr. Elliott; Mr. Plante; William B. Hoyer, Columbus, treasurer, and Harold G. Pratt, New York, secretary.

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High Income Must Back Financed Life

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paid-up value or by letting policies lapse when the next premium comes due is a practice that Phoenix Mutual has discouraged and it states that if replacement is contemplated "we may have to call for a written statement prepared by the home office for the applicant to sign, showing that he understands the comparison of results."

Lapses Exceeded Expectations

The company's letter to its agents, copies of which more recently went to its broker representatives, stated that its lapse experience on the high early cash value policies has been better than that of some companies but not as low as Phoenix assumed in its calculations or premiums.

"Some companies have withdrawn the high cash value policy altogether or severely rationed its use," said Vice-president Paul H. Haggard in his letter. "We believe that there is an appropriate place for this type of insurance if properly sold and we believe that with good field underwriting we can control the lapse rate. . . . You will agree, we are sure, that the continued sale of high cash value policies is important to you and to your company. If we are to avoid justified criticism of our handling of these sales we must make sure that the policy fills a real need now and in the future and that other forms of insurance are not better suited to the applicant's circumstances."

John O. Hutchins, agency director of Hoosier Farm Bureau Life, will speak at the April 8 meeting of Indiana Home Office Underwriters Assn. at Indianapolis.

Invited To Variable Annuity Conference

(CONTINUED FROM PAGE 1)

its organization almost 25 years ago, underwhich it will assist any member of the public who is desirous of complying with the safeguards contained in the securities acts.

"Over the years the commission in administering its functions under the federal securities laws, sometimes on its own motion and sometimes by request, has repeatedly reconsidered or revised its rules, regulations and forms in an effort to avoid unnecessary duplication of systems of account, reports, and filings where those subject to its jurisdiction may be also subject to the jurisdiction of another federal or state regulatory authority. In pursuance of this policy and in order that the commission may be in a better position fairly and effectively to administer the federal securities acts in connection with variable annuities, the commission has today invited officials of the National Assn. of Insurance Commissioners and the North American Securities Administrators to meet with it in Washington to consider the mutual problems of regulation involved in the issuance and sale of these securities."

Praetorian Mutual To Expand A&S Department

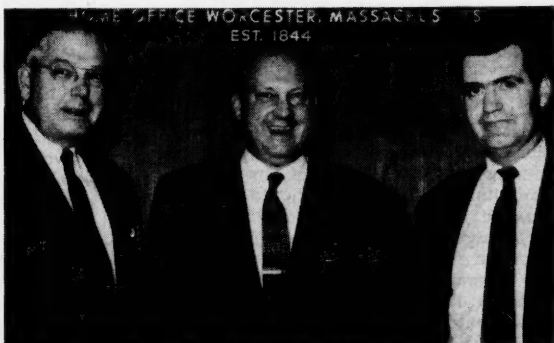
Praetorian Mutual Life of Dallas this year begins offering a full line of A&S.

Howard E. Smith has been appointed head of Praetorian's enlarged A&S department.

Completed Purdue Course

Mr. Smith has completed the A&S course at Purdue institute. He has both home office and field experience, and joined Praetorian last October.

Walter C. Leck, general agent State Mutual Life, Chicago, flanked by two home office officials: John B. Nothelfer, Agency vice-president (left), and Duncan F. Brown, superintendent of agents. The occasion marked the moving to ground-floor offices by the agency, which for four consecutive years has won the company's top award, the president's cup, for sales leadership. For 1958 the Leck agency was also 2nd in A&S, 3rd in group and won the agency builder award, the 2nd highest award.



Outstanding Sickness & Accident INCOME PROTECTION

Non-cancellable, guaranteed renewable to Age 65—at guaranteed premium rates, non-aggregate, no house confinement, optional hospital-surgical-medical benefits. Sickness benefits from one year to Age 65—Accident from two years to lifetime. (Also participating life insurance and all types of group insurance!)

Expansion program provides openings for qualified General Agents in selected areas.



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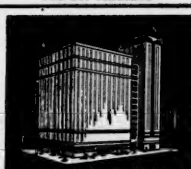
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We are too! And frankly we are tired of it. We are not losing any money, but we are making it mighty slow.

It may not be true that "two people can live as cheap as one", but two Life companies can.

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Merge, buy, or sell. No brokers, please.

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Chicago 4, Ill.

Warns Against Minimum Deposit Abuses

(CONTINUED FROM PAGE 2)

avorable experience we have had with our common stock investments, I wish to emphasize that we are still strongly opposed to the writing of variable annuities by life insurance companies."

He said that he believed it was one thing for a life company to invest from 3% to 5% of its assets in common stocks, but quite another thing to issue variable annuity contracts which are affected directly by changes in the income and market value of the common stock portfolio.

In his review of Massachusetts Mutual's recruiting program, Charles H. Schaaff, executive vice-president, said that increased manpower has been the most apparent and most important factor contributing to the company's

unprecedented increases in volume of ordinary sales. When the first manpower program began in 1951, the average annual ordinary production per full time agent was just over \$260,000. Last year, he said, it was \$455,000. In 1956, a second manpower program was begun.

Third Program Set

Mr. Schaaff said he was not one to desert a winning formula and announced a third manpower program effective April 1.

Mr. Kalmbach presented the 1958 president's trophy for outstanding performance and accomplishments in all areas of agency operation to Robert L. Woods, Los Angeles. Other agencies

finishing among the top five in trophy competition were Humphries, Atlanta; Grimmett, Rochester, N. Y.; Steinberg, New York, and Woods & Tussey, St. Louis.

Robert L. Woods was also elected president of the General Agents Assn. to succeed E. Leo Smith, Indianapolis. Other officers elected were William R. Robertson, Boston, vice-president, and Earl C. Jordan, Chicago, secretary-treasurer.

The group insurance leadership award, for the second consecutive year, went to the Los Angeles agency and was presented by Charles G. Hill vice-president.

Possible Surge In N. Y. Bank Loans Is Seen

(CONTINUED FROM PAGE 1)

000 up. On that size it can shade the usual 5% policy loan rate a little, the current bank rate being about 4 3/4%. In the \$10,000 range it would be about 4 1/2%, while for loans of \$25,000 and up it would drop to 4 1/4% to 4 3/8%.

How the department would view the widespread substitution of bank loans for company loans in minimum deposit cases—or financed life insurance in general—is not quite clear. If a major part of the department's aim is to keep minimum deposit plans from being sold to smaller buyers for whom it is a bad deal, this objective would probably not be thwarted by a large-scale reentry of the banks into the policy loan business, because they would not be interested in the smaller loans, unless possibly at rates considerably higher than the 5% rate in the policy.

On this point THE NATIONAL UNDERWRITER queried Merrill P. Arden, Connecticut Mutual Life, New York City, president of Assn. of Advanced Life Underwriters, the organization that is actively defending financed life insurance against onerous restrictions.

Mr. Arden said he had written Assistant Superintendent Julius Sackman of the New York department on this point and received the following reply:

"For the time being, the regulations, among other things, deal with first-year policy loans secured by discriminatory cash values. Should bank loans be used as a device to defeat the purpose of the regulation, further action on the part of the department may become necessary. It should also be borne in mind that policies with discriminatory cash values may be withdrawn either by voluntary action of a company or by department action."

Industrial Life of Canada is offering a Check-O-Matic plan for automatic payment of premiums by policyholders.

AVAILABLE

Presently employed as Ass't Treasurer of a Life, A & H Insurance Company. Seeks similar staff position where background as Agency Officer and Group Administrator can be utilized. Well trained in expansion and growth problems. Thorough knowledge of Underwriting and Claim Procedures for Home Office operation. Write Box F-52, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARIAL STUDENT

Professional actuarial firm has opening in Chicago for actuarial student with 2-4 examinations. New position available due to growth. Reply in confidence to Box F-54, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Parker Tells How Commonwealth Life Merged Field Forces

The story of Commonwealth Life's change from two separate field organizations—ordinary and industrial—to a unified field setup was told by its Executive Vice-president, Homer D. Parker, at LIAMA's agency management conference in Chicago.



Homer D. Parker

Mr. Parker said studies were made covering every aspect of the situation—cost, persistency, compensation and product.

"These studies," he said, "indicated that there was a duplication of both effort and expense at every level—agent, field management, home office supervision and top management."

"The studies also indicated that over a period of years jealousies and rivalries had grown up between these two sales forces and that in areas where they were serving a common market this had contributed to misunderstanding and confusion on the part of the insuring public."

Buying Habits Changed

"Another contributing factor to the decision," Mr. Parker said, "was the shift in the buying habits of the public. Only a few short years ago the weekly premium agent sold weekly premium insurance and supplemented his income with an occasional ordinary sale. Today he is fighting to hold his weekly premium debit intact and must resort to the sale of ordinary insurance to make a living."

As proof of this Mr. Parker quoted company figures. He attributed this change in condition to inflation and upgrading in the manpower of the district office agencies. No longer is a small weekly premium policy adequate to cover the final expenses of the average American working man or to provide even modestly for his family's comfort. So he has shifted to ordinary.

"The upgrading of manpower at both the agent's and manager's level in the district office agencies has played an important part in this change," he said. "The manpower in both sales divisions was on a par. Equally high selection standards apply to each group and equally rigid training schedules are in effect for each group."

Needed New Pay Plan

Mr. Parker pointed to the necessity of a new compensation plan and elimination of a persistency bonus for branch office agents as another reason for uniting the sales forces.

"Our studies revealed," he said, "that over a period of years the branch office agencies had failed consistently to develop the management manpower they needed for expansion and development."

"Our studies showed that in many localities there was an overlap of our two sales forces. Our studies indicated the agents of the separate field forces were calling on the same prospects. We had two fine groups of people which complemented each other but because of the dual system of operation, neither group was taking advantage of the benefits which the other group could offer."

Commonwealth's unified field force



TOPS AT MASSACHUSETTS MUTUAL—Leland J. Kalmbach, president of Massachusetts Mutual, awards president's trophy to Robert L. Woods, Los Angeles, during general agents conference at the Palm Beach (Fla.) Biltmore Hotel, and poses with runners up in the competition. From left, Leonard R. Woods and C. Ed Tussey, St. Louis; B. William Steinberg, New York; Robert L. Woods; Mr. Kalmbach; John R. Humphries, Atlanta, and Clarence A. Grimmett Jr., Rochester, N. Y. Robert L. Woods is also the newly elected president of the General Agents Assn.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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A medium size company located on the Eastern Seaboard has an attractive opening on its actuarial staff with generous starting salary. Age to 35. Prefer applicant who has passed four or five papers. Send complete résumé in confidence to Box F-45, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Desires to merge with Life Insurance Company interested in adding Health and Accident premium income to their existing income.

Can offer 14 years of successful experience in organizing, recruiting, training and establishing a 45 man sales staff.

Will invest. Excellent health. Age: 38 years. Write:

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Experienced agent wants contract with QUALITY company with assets in excess of 100 million. Objective to develop personal production and attract on conservative basis likeminded quality producers. Reply Box F-40, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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Do you need a good Life Agency Vice President or a Resident Regional Director? If so, write Box F-49, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GROUP LIFE POSITION

Excellent opportunity for a young man with a minimum of two years experience in group contract design and preparation. Some experience with trust indentures and claim administration helpful but not essential. Legal education desirable but not required. Position available because of the recent entry by a progressive medium sized mid-western company into the group and pension trust field. Send complete résumé and salary expected to Box F-2, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

now consists of three types of operations: offices writing both ordinary and monthly debit ordinary; offices writing weekly premium, MDO and ordinary; and offices writing ordinary only.

Careful steps were taken for the announcement to the field force and unification has taken place. Looking at the setup nearly two months after the merger, Mr. Parker said, "I am happy to say that we have not lost a single man, this despite the inevitable dislocations resulting from such a momentous move. Three vice-presidents in field management (former directors of agencies) now supervise our unified field force on a regional basis." He said the company also has a vice-president in charge of sales development, a director of field services, an actuary doing field research, an administrative assistant, agency secretary and three regional supervisors.

"Today," Mr. Parker said, "we have nearly 1,000 field men who are working harmoniously, side by side, on a single field force, under a single management and with a single purpose, to sell and service more efficiently Commonwealth insurance."

'Outside Salesman' Law Would Save Married Debit Agent \$68.20 Per Annum

Legislation pending in Congress, if enacted, will save \$68.20 a year in income taxes for a childless, married debit agent earning \$7,500 annually and having \$400 of transportation expenses and \$500 of other business expenses. The estimate was made by Carlyle M. Dunaway, general counsel of National Assn. of Life Underwriters, in his column "On the Legal Side" in the April issue of Life Association News, NALU's monthly magazine.

The savings, he said, would be accomplished by identical bills recently introduced by Reps. Ikard of Texas and Curtis of Missouri, which would cause debit agents to be classified as outside salesmen and give them the same income tax deductions as agents selling ordinary life. According to an agent's individual circumstances, his tax savings could be more or less than Mr. Dunaway's estimate.

Iowa Investment Company To Sell 2 Million Shares

DES MOINES—The Iowa department has authorized Life Investors of Iowa, a recently organized investment company, to sell two million shares of company stock to residents of the state. Wade Clare, company chairman, said Life Investors ultimately intends to establish a life company as a wholly or majority owned subsidiary. Offering price of stock is \$2.50 a share.

A Service Guide A

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IRS Decisions Held Aid To Salesmanship

(CONTINUED FROM PAGE 1)

H. Prunier et al. vs Commissioner, 248 Fed. (2d) 818 [57-2 USTC ¶ 10,015]. The issue in each case was whether the payment of premiums by a corporation on an insurance contract on the life of an employee-shareholder, in which the corporation possessed rights of ownership, resulted in income to the insured employee-shareholder.

"In the Casale case, the corporation purchased a policy of insurance on the life of its controlling stockholder and president. The court found that the insurance contract was owned by and payable to the corporation and had been purchased to fund a contract which had been entered into by the corporation with the employee-shareholder. The court held that the payment of the premiums did not represent taxable dividends to the employee-stockholder since he received no immediate personal benefit from the corporate purchase of the policy, whereas the corporation had acquired a valuable corporate asset available to creditors in the event of insolvency.

Corporation Owned Contracts

"In the Sanders and Prunier cases, the facts were that the insurance contracts were owned by the corporation, but the insured stockholders had the right to designate the beneficiaries to receive the proceeds on the condition that their stock be transferred to the corporation upon their deaths.

"In each case, the court held that the effect of the payment of premiums by the corporation was merely a conversion of cash into another corporate asset, an insurance policy, and that such action did not result in income to the individual taxpayers."

\$500,000, Six-Day-Old Policy Is Mass. Mutual's Largest First-Year Claim

Massachusetts Mutual paid the largest first-year death claim in its history, on a policy with a \$500,000 face amount which matured when Herbert S. Greenwald, president of Metropolitan Corp. of America, a national real estate firm headquartered at Chicago, was killed in the crash of a commercial airliner in New York's East River in February.

The policy had been delivered six days before Mr. Greenwald boarded the ill-fated plane at Midway Airport by Gerald Chaet of the Geist agency at Chicago. Since that portion of the \$15,510 annual premium applicable to the period subsequent to the date of death was refunded, the net cost of coverage for the six days was \$258.40. The beneficiary, Metropolitan Corp., also received interest on the policy proceeds in the amount of \$1,562, credited at the rate of 3.4% per annum for the date of death, Feb. 3, to the date of payment, March 6.

Segregated Pension Plan Opposed By Conn. Banks

HARTFORD—A bill to permit life companies to segregate part of their pension funds into an account that could be invested in common stocks and other securities ran into opposition from banks and trust company representatives at a hearing conducted by the legislature's insurance committee.

Insurers were represented by Daniel P. Cavanaugh, associate general counsel of Aetna Life. He said the

plan provides that no annuities are purchased for the employees until they actually retire. In the meantime, the employer makes payments to the insurer from time to time to build up a fund which it is assumed will be sufficient, as employees retire, to buy annuity contracts for them at that time.

Outstanding Agency Awards To Conn. General Leaders

Connecticut General has presented outstanding agency awards for 1958 to three field offices. Winning agencies are:

Boston branch, under Howard J. Stagg III, manager, placed in force more than \$9 million of individual life, a gain of 20%.

Boston brokerage, under Manager James R. Greaney, increased ordinary life in force 87%. A&S and medical expense sales gained 25% and group coverage 38%.

Chicago brokerage, Edward N. Cheek Jr., manager, ordinary in force placed increased 191%. Sales of A&S and medical expense gained 79% and group climbed 27%.

National Underwriter Names Five Officers

(CONTINUED FROM PAGE 1)

operated a news agency for business papers. He joined the company at Chicago in 1941 as associate editor. In 1946 he was transferred to New York as Eastern editor. In 1952 he was made editor, and in 1954 executive editor.

Mr. O'Connor, executive editor of Fire, Casualty and Surety publications since 1950, is best known as editor of the Fire, Casualty & Surety Bulletins, which post he has held since joining the company in Chicago in 1933. Before going to the home office in 1947, he also served as associate editor of THE NATIONAL UNDERWRITER.

Mr. Maloney has been with the company since 1927, starting as an assistant with the Accident & Health Bulletins, now Accident & Sickness Bulletins. He later became editor of that service and of the annual Time Saver and for many years was business manager of the Fire, Casualty & Surety Bulletins. Since 1950, he has been office manager and personnel director of the company at Cincinnati.

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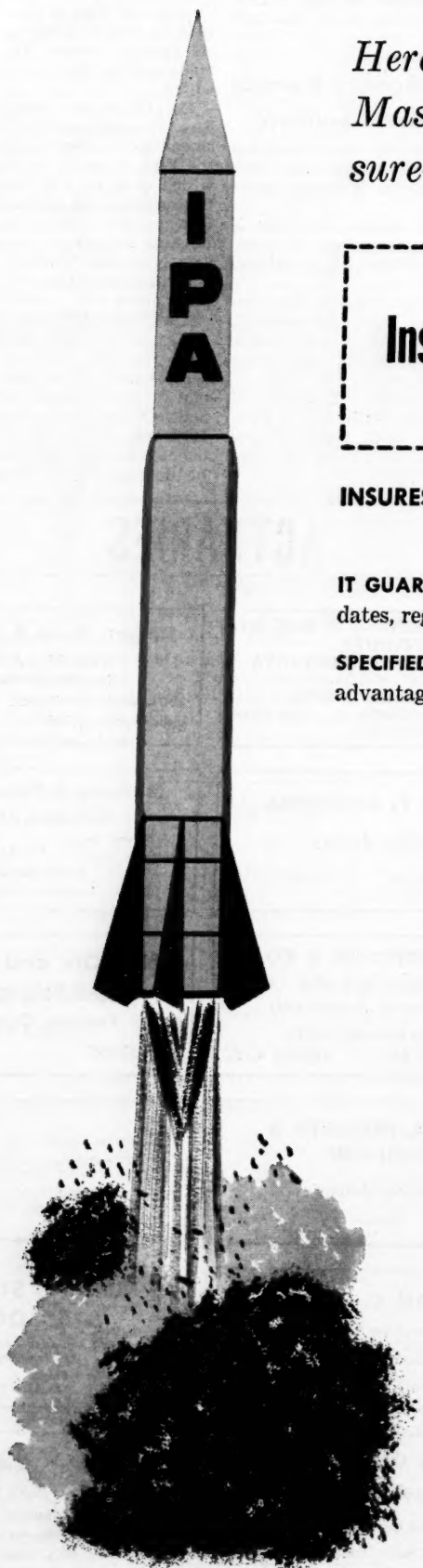
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SPECIFIED AGES (on policy anniversary) at which the insured may take advantage of the Insurability Protection Agreement:

Age at Issue	Number of Option Dates	"Option Date" Ages
0-24	6	25, 28, 31, 34, 37, 40
25-27	5	28, 31, 34, 37, 40
28-30	4	31, 34, 37, 40
31-33	3	34, 37, 40
34-36	2	37, 40
37	1	40

ON EACH OPTION DATE the insured may, without evidence of insurability, buy a new Convertible Life, Limited Payment Life, Endowment or Retirement Income policy—maximum \$10,000 or face amount of basic policy, whichever is less.

MAY BE ATTACHED, at time of issue, to most standard rate policies of \$5,000 or more. In addition, Extra Protection, Family Plan, Mortgage Retirement and other riders may also be attached at time of issue of basic policy.

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